

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME I



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
OFFICIAL ROSTER
JUNE 30, 2014**

Administrative Officials

Hanna Skandera	Secretary of Education
Hipolito Aguilar	Deputy Secretary, Finance & Operations
Leighann Lenti	Deputy Secretary, Policy and Program
Marian Rael	Director, Administrative Services Division, CFO
Maria Fidalgo	Audit and Accounting Bureau Chief
Eileen Marrujo-Gallegos	Director, School Budget & Finance Analysis Bureau
Antonio Ortiz	Director, Capital Outlay Bureau
Matthew Montano	Director, Educator Quality Division
Pete Goldschmidt	Ph.D., Director, Accountability & Assessment
Vacant	Director, Parent Options
Ferlin Clark	Assistant Secretary, Indian Education Division
Denise Koscielniak	Director, Federal Programs
Michael Archibeque	Chief Information Officer
Annjenette Torres	Director, Strategic Initiatives and Constituent Services
Larry Behrens	Public Information Officer
Veronica De Leon-Dowd	Director, Division of Vocational Rehabilitation
Vacant	Deputy Director, Division of Vocational Rehabilitation
Annette Ortega	Chief Financial Officer, Division of Vocational Rehabilitation

Public Education Commission

Vacant	Commissioner	Albuquerque	District 1
Millie Pogna	Commissioner	Albuquerque	District 2
Carmie Lynn Toulouse	Commissioner	Albuquerque	District 3
J. Tyson Parker	Commissioner	Corrales	District 4
James Conyers	Commissioner	Bloomfield	District 5
Gilbert G. Peralta	Commissioner	Socorro	District 6
Eugene E. Gant	Vice Chairperson	Las Cruces	District 7
Vince Bergman	Secretary	Roswell	District 8
Carolyn Shearman	Chairperson	Artesia	District 9
Jeff Carr	Commissioner	Eagle Nest	District 10

INDEPENDENT AUDITOR'S REPORT

To Hanna Skandera, Secretary of Education
New Mexico Public Education Department
and Mr. Tim Keller
New Mexico State Auditor

We have audited the accompanying financial statements of the governmental activities, each discretely presented component unit (New Mexico state chartered charter schools), each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of the New Mexico Education Department ("Department"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the Department's nonmajor governmental funds and fiduciary funds, and the budgetary comparison for all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2014, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Summary of Opinions

Opinion Unit	Type of Opinion
All Governmental Activities Funds	Unmodified
Fiduciary Funds	Unmodified
Discretely Presented Component Unit and its Funds:	
McCurdy Charter School - Statement of Activities, Revenues, Expenditures and Changes in Fund Balance	Disclaimer
McCurdy Charter School - Statement of Net Position	Modified
Southwest Intermediate Learning Center	Disclaimer
Southwest Primary Learning Center	Disclaimer
Southwest Secondary Learning Center	Disclaimer
Southwest Aeronautics, Mathematics, and Science Academy	Disclaimer
Creative Education Preparatory Institute	Disclaimer
Academy of Trades and Technology Foundation (Discretely presented fund of the Academy of Trades and Technology Charter)	Disclaimer
Academy of Trades and Technology (all funds, except foundation)	Unmodified
Each Remaining Discretely Presented Component Unit	Unmodified

Basis for Disclaimer of Opinion on the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance and Consistency for McCurdy Charter School, a Discretely Presented Component Unit and its Funds

The prior auditors were not able to obtain sufficient appropriate audit evidence about the classification and amounts comprising the balance sheet as of June 30, 2013 for the McCurdy Charter School and we have not obtained sufficient appropriate audit evidence by other auditing procedures. The significant aspects of the balance sheet at that date, including classifications and amounts, materially affect the determination of the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance for the year end June 30, 2014, and the consistency of application of accounting principles between fiscal year 2013 and 2014.

Disclaimer of Opinion on Basis for Disclaimer of Opinion on the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance and Consistency for McCurdy Charter School, a Discretely Presented Component Unit and its Funds

Because of the significance of the matter described in the Basis for Disclaimer of Opinion paragraph for McCurdy Charter School, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance for the year end June 30, 2014 or on the consistency of application of accounting principles with the preceding year. Accordingly, we do not express an opinion on the Statement of Activities, Revenues, Expenditures and Changes in Fund Balance for the year ended June 30, 2014 or on the consistency of application of accounting principles with the preceding year.

Basis for Modified Opinion on the McCurdy Charter School Balance Sheet, a Discretely Presented Component Unit, and its Funds

Management of the McCurdy Charter School was unable to provide sufficient evidential matter in support of the payroll accrued liabilities as the amounts that have been reported to the IRS and the State of New Mexico were incorrect. Therefore, we were unable to obtain sufficient appropriate audit evidence to verify the accrued payroll liabilities as of June 30, 2014.

Modified Opinion on the McCurdy Charter School Statement of Net Position

In our opinion, except for the effects of the matter described in the “Basis for Modified Opinion on the McCurdy Charter School, a Discretely Presented Component Unit, and its Funds” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of all funds of the McCurdy Charter School as of June 30, 2014, and the changes in financial position thereof 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 budgetary comparisons for all funds of the McCurdy Charter School for the year end ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Disclaimer of Opinion on the Southwest Intermediate Learning Center, Southwest Primary Learning Center, Southwest Secondary Learning Center, and the Southwest Aeronautics, Mathematics, and Science Academy (“Southwest Charters”), Discretely Presented Component Units, and their related funds

The financial statements of the Southwest Charters have not been audited as management of the Southwest Charters was unable to provide sufficient evidential matter to support certain transactions and account balances, as presented for the Southwest Charters financial statements and related fund financial statements as of and for the year ended June 30, 2014. We were unable to satisfy ourselves by other auditing procedures concerning these reported balances for the Southwest Charters as a whole and its funds. As a result of these matters, we were unable to determine whether any adjustments might have been necessary in respect of the balances reported on the Southwest Charters financial statements.

Disclaimer of Opinion on the Southwest Intermediate Learning Center, Southwest Primary Learning Center, Southwest Secondary Learning Center, and the Southwest Aeronautics, Mathematics, and Science Academy and their related funds

Because of the significance of the matters described in the “Basis for Disclaimer of Opinion on the Southwest Intermediate Learning Center, Southwest Primary Learning Center, Southwest Secondary Learning Center, and the Southwest Aeronautics, Mathematics, and Science Academy (“Southwest Charters”), Discretely Presented Component Units, and their related funds” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of the Southwest Charters or their related funds.

Basis for Disclaimer of Opinion on the Creative Education Preparatory Institute, a Discretely Presented Component Unit, and its funds

Management of the Creative Education Preparatory Institute (“CEPI”) was unable to provide sufficient evidential matter in support of certain transactions and account balances, as presented in the CEPI financial statements and the related fund financial statements as of and for the year ended June 30, 2014. We were unable to satisfy ourselves by other auditing procedures concerning these reported balances for CEPI as a whole and its individual funds. Most notably we noted that cash is not being properly reconciled on a monthly basis and that entries are being posted to fund balance without adequate supporting documentation. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the balances reported on the CEPI financial statements.

Disclaimer of Opinion on the Creative Education Preparatory Institute and its Funds

Because of the significance of the matters described in the “Basis for Disclaimer of Opinion on the Creative Education Preparatory Institute, a Discretely Presented Component Unit, and its funds” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of the Creative Education Preparatory Institute or its related funds.

Basis for Disclaimer of Opinion on the Academy of Trades and Technology Foundation, a Fund of the Discretely Presented Component Unit (Academy of Trades and Technology Charter School)

Management of the Academy of Trades and Technology Foundation (“Foundation”) was unable to provide sufficient evidential matter in support of certain transactions and account balances, as presented in the Foundation’s financial statements and the related fund financial statements as of and for the year ended June 30, 2014. We were unable to satisfy ourselves by other auditing procedures concerning these reported balances for the Foundation as a whole (as a discretely presented fund of the Academy of Trades and Technology Charter School). Most notably we noted that the accounting lacked a full year of accounting transactions being recorded. In addition, one person and the only board member was responsible for issuing and signing all checks, making all deposits and reconciling related bank statements. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the balances reported on the Foundation’s financial statements (presented as a discretely presented fund of the Academy of Trades and Technology Charter School).

Disclaimer of Opinion on the Academy of Trades and Technology Foundation (a Fund of the Discretely Presented Component Unit - Academy of Trades and Technology Charter School)

Because of the significance of the matters described in the “Basis for Disclaimer of Opinion on the Academy of Trades and Technology Foundation, a Fund of the Discretely Presented Component Unit (Academy of Trades and Technology Charter School)” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements of the Academy of Trades and Technology Foundation (a Fund of the Discretely Presented Component Unit - Academy of Trades and Technology Charter School).

Unmodified 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 discretely presented component unit (New Mexico state chartered charter schools), each major fund, and the aggregate remaining fund information of the Department, as of June 30, 2014, 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 for each nonmajor governmental funds and fiduciary funds of the Department as of June 30, 2014, and the respective changes in financial position and budgetary comparisons for all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements of the Department are intended to present the financial position and changes in financial position of only that portion of the governmental activities of the State of New Mexico that is attributable to the transactions of the Department. They do not purport to, and do not present fairly the financial position of the State of New Mexico as of June 30, 2014, and the changes in its position and budgetary comparisons for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As noted in Note 21 of the financial statements, the Department restated fund balance and net position as of July 1, 2013 for the Special Projects Fund 79000 in the amount of \$23,118,458.

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 15-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of federal awards as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the other schedules required by

Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards and other schedules required by Section 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other schedules required by Section 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Uncertainties Regarding Violations of New Mexico State Law

As discussed in Note 22 to the financial statements, the Cottonwood Classical Preparatory School and the Horizon Academy West Charter School (discretely presented component units) have pledged State Equalization Guarantee ("SEG") monies to guarantee debt secured by the Cottonwood Classical Foundation and Horizon Academy Foundation. The guarantee of SEG monies may have violated New Mexico Anti-Donation laws. The possible outcome of this matter cannot presently be determined.

Change in Accounting Principle

As discussed in Note 23 to the financial statements, in 2014 the Department adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 1, 2015 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

The logo for Axiom, featuring the word "Axiom" in a stylized, cursive blue font.

Albuquerque, New Mexico
July 1, 2015

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MANAGEMENTS DISCUSSION AND ANALYSIS
Year Ended June 30, 2014**

The following management's discussion and analysis (MD & A) provides an overview of the State of New Mexico Public Education Department (Department) financial activities for the fiscal year ended June 30, 2014. The MD & A is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Department's financial activity, (c) identify changes in the Department's financial position, (d) identify any material deviation from the financial plan (the approved budget) and (e) identify any financial issues or concerns. Please read it in conjunction with the Department's financial statements, which begin following this analysis.

Department Highlights

The Department is made up of 2 distinct appropriated entities and 55 discretely presented component units: the Public Education Department, the Division of Vocational Rehabilitation, and 55 state authorized chartered schools. The Public Education Department (PED) provides leadership at the state and department levels in meeting the needs of and requirements for education in New Mexico. This includes providing assistance and direction to local school districts, local boards of education and other educational entities.

The Division of Vocational Rehabilitation (DVR) is responsible for the administration and provision of all DVR programs and services through nine areas and twelve satellite offices statewide. This also includes the administration of the Social Security Disability Determination Services federal program.

The 55 state authorized chartered schools are to provide an alternative educational setting to parents and students in the public school system. State authorized chartered schools provide an opportunity to create new, innovative and more flexible ways of educating children.

In September 2003, New Mexico voters approved a constitutional amendment changing the nature of the Department. The 15-member State Board of Education was replaced by the elected 10-member Public Education Commission, whose authority and duties were defined by laws enacted by the New Mexico State Legislature during the 2004 Regular Session. The Superintendent of Public Instruction, appointed by the State Board of Education, was replaced by the Secretary of Public Education, a cabinet secretary appointed by the governor and confirmed by the New Mexico Senate. The State Public Education Department was replaced by the Public Education Department as a cabinet-level department of the executive branch of government.

Another constitutional amendment, also approved by the voters in September 2003, increased the distribution from the State Land Grant Permanent Fund to be used to implement and maintain educational reforms passed by the state legislature.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

Using the Annual Report

The Department's Basic Financial Statements (BFS) are presented in four parts, in the following order:

1. Department-wide Financial Statements,
2. Fund Financial Statements,
3. Budgetary Comparison Statements, and
4. Notes to the Basic Financial Statements.

Department-wide Financial Statement: The department-wide financial statements include the first two financial statements: the Statement of Net Position and the Statement of Activities. These statements report information on all of the financial activities and resources of the Department as a whole except for information applicable to fiduciary activities. Fiduciary activities represent funds held in trust for others. These funds are not included in the resources available to support the Department's governmental activities. Governmental activities are financed by general revenue appropriations and state and federal grants.

The Department-wide Statement of Net Position reports the assets of the Department and the corresponding claims and liabilities against those assets at June 30, 2014. The difference between the value of the assets and the liabilities is reflected as the value of the net position. Increases or decreases in net position measure whether the financial position of the Department improved or deteriorated. Net position legally limited to a particular use is reported as restricted. Unrestricted net position contains assets that can be used to fund operating expenses in future years. A deficit (negative) balance in unrestricted net position would indicate that obligations incurred in the current and prior periods exceed the value of assets currently available, and that the assets of future periods will be required to meet the established obligations.

The Department-wide Statement of Activities reports the educational and education-related expenses and the cost of general government operations of the Department, with a comparison of the program revenues obtained to finance them, and the general revenues made available to fund the difference. The statement also reports the change in net position during the 2014 fiscal year. This also includes health and welfare related expenses and cost of general government operations of the Division of Vocational Rehabilitation, with a comparison of program revenues obtained to finance them, and the general revenues made available to fund the difference.

The Department's activities are grouped into the functional programs. The Education activities are funded from federal revenues provided primarily by the U.S. Department of Education.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

Health and Welfare activities are Vocational Rehabilitation programs and the Disability Determination Services program, both administered by DVR. The state authorized chartered schools activities are grouped into the functional programs and are funded from federal flow through revenues from the Department and are expensed within the categories of instructional, support, and operations.

Fund Financial Statements: The fund financial statements that follow the department-wide financial statements report on the financial position and changes in financial position of the individual funds used by the Department. Funds are separate accounting entities used in government accounting to segregate transactions according to the sources of funding and to demonstrate legal compliance with the restrictions that may be imposed on those financial resources. The Department uses two types of funds to account for its financial activities: governmental funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for the finances of the governmental activities reported in the department-wide financial statements. The Department uses two types of governmental funds: a general fund to account for activities not required to be accounted for in other funds, and special revenue funds to account for collection and expenditure of earmarked and restricted fund resources (Note 1).

Fiduciary Funds

Fiduciary funds are used to account for resources the Department holds for others. The Department uses three fiduciary funds. The *agency fund* is used to accumulate driver safety fees that are to be distributed to each school for the purpose of providing defensive driving instructions. The *private-purpose trusts* are used to report arrangements under which principal of donations invested or interest earned on investments benefit specific individuals. The *Eva Lou Scholarship fund* benefits "deserving boys and girls", and the *Tutor Scholarship* is used to account for donations to be used to fund scholarships for academically successful students who tutor at-risk high school students. The finances of these funds are reported in a separate Statement of Fiduciary Net Position. The resources of these funds are excluded from the department-wide financial statements because they cannot be used to finance the Department's operations.

Reconciliation of Department-wide Financial Statements to Fund Financial Statements: Differences in amounts reported in the department-wide financial statements versus the fund financial statements result from the different measurement focus and basis of accounting used. The measurement focus used for governmental funds is based on budgetary control and the flow of resources in the current year. As an example, capital purchases are treated as

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expenditures of the current year. Department-wide financial statements reflect such transactions as allocations over the time of use in the form of depreciation. A reconciliation of differences between department-wide and fund financial statements is provided in separate schedules that detail the differences in accounting treatment.

Budgetary Comparisons: The budgetary comparison statements furnish a budget-to-actual comparison for all governmental funds to report compliance with the approved budget. The budget amounts reported are those in the original budget and in the amended budget, which reflects all legal adjustments made to the budget since the start of the fiscal year. The budgetary actual amounts are stated on the same basis as the budget figures.

Notes to the Financial Statements. The notes to the financial statements provide detailed information to support and explain key financial information presented in the department-wide and fund financial statements.

The notes provide information on the activities of the Department, on the basis of accounting used, and on accounting policies reflected in the financial statements to clarifying key financial information. They are integral to understanding the financial statements.

Supplemental and Supplementary Information: Supplemental information is provided to report the combining financial statements of non-major funds and fiduciary funds, to report the change in assets and liabilities of the agency fund, and to report the details of federal grant awards and expenditures. The information is provided in compliance with federal and state reporting requirements.

Since the Department is composed of two distinctly appropriated entities and 55 state authorized chartered schools, a separate discussion and analysis section is being presented for the Public Education Department, the Division of Vocational Rehabilitation, and the 55 state authorized chartered schools following the department-wide discussion and analysis.

Financial Highlights

Public Education Department

- The Department has four major funds. The General fund (SHARE Fund 05700) accounts for administration of PED, not including DVR or federal administrative costs. DVR's administrative and direct costs are recorded in the Vocational Rehabilitation fund (SHARE Fund 50000) and the Disability Determination Services fund (SHARE Fund 50100), which together are presented as the DVR General Fund in the financial statements. The other funds are primarily pass-through funds and are described in more detail in the financial statements footnotes.

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- The Department's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. We exclude these activities from the Department's other financial statements because the Department cannot use these assets to finance its operations. The Department is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Division of Vocational Rehabilitation

- As noted above, DVR has two major funds, which are combined in the financial statements for reporting purposes. The Vocational Rehabilitation Program is funded under the U.S. Department of Education's Rehabilitation Services Administration (RSA) with federal funding that requires 21.3% of the total expenditures under the program to be made with state matching funds. The remaining 78.7% are funded with the federal grant. DVR's other major program is the Disability Determination Program, which is funded by the U.S. Social Security Administration (SSA). The program does not require a state match and is funded 100% with a federal grant from SSA.
- DVR capital assets decreased by \$693,910, which was a result of a physical inventory count completed during the fiscal year that identified approximately \$804,288 of fully depreciated assets that were disposed of during the course of the fiscal year or did not exist. The reductions were offset by approximately \$67,479 of asset additions, net of \$42,899 of depreciation expensed during the fiscal year.
- Administration – The DVR program is a joint effort of the federal and state governments to assist people with disabilities, as a function of the Rehabilitation Act of 1973, as amended and the Social Security Act, as amended. The New Mexico DVR is a division of the New Mexico Public Education Department and is responsible for a variety of services for people with disabilities. Although it receives a separate appropriation from the Legislature and has its own business unit with the Department of Finance and Administration, DVR is a division of the Public Education Department.

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Financial Analysis of the Department as a Whole

Net Position

The Department's net position at June 30, 2014 was \$55,489,356. Table A-1 summarizes the Department's net position for the fiscal year ended June 30, 2014.

**Table A-1
The Department's Net Position**

	(Dollars in Thousands)			
	June 30, 2014			June 30, 2013
	PED	DVR	Department	Department
<u>Assets</u>				
Current Assets	\$ 274,227	11,410	285,637	237,433
Capital assets, net	107	163	270	243
Total assets	274,334	11,573	285,907	237,676
<u>Liabilities</u>				
	220,468	9,950	230,418	199,702
<u>Net Position</u>				
Investment in capital assets	107	163	270	243
Restricted	38,772	2,144	40,916	28,180
Unrestricted (Deficit)	14,987	(684)	14,303	9,551
Total Net Position	\$ 53,866	1,623	55,489	37,974

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Changes in Net Position

The Department's change in net position for the year ended June 30, 2014 was \$(5,603,269).
Table A-2 summarizes the Department's changes in net position for fiscal year 2014.

**Table A-2
The Department's Changes in Net Position**

	(Dollars in Thousands)			
	Year Ended June 30, 2014			Year Ended June 30, 2013
	PED	DVR	Department	Department
<u>Program Revenue Grants</u>	\$ 404,199	26,927	431,126	438,559
<u>General Revenues</u>				
State appropriation	2,574,576	5,617	2,580,193	2,499,355
Inter-agency transfer, net	(2,144)	485	(1,659)	1,313
Reversions	(12,649)	-	(12,649)	(15,771)
Proceeds of state general obligation and severance tax bonds	40,537	-	40,537	28,944
Total general revenues	<u>2,600,320</u>	<u>6,102</u>	<u>2,606,422</u>	<u>2,513,841</u>
<u>Expenses</u>				
Education	(3,010,588)	-	(3,010,588)	(2,922,181)
Health and Welfare	-	(32,564)	(32,564)	(32,813)
Total Expenses	<u>(3,010,588)</u>	<u>(32,564)</u>	<u>(3,043,152)</u>	<u>(2,954,994)</u>
Change in net position	(6,069)	465	(5,604)	(2,594)
<u>Net Position</u>				
Beginning of Year	36,816	1,158	37,974	37,721
Restatement	23,119	-	23,119	2,847
Net Position Beginning of Year, as restated	<u>59,935</u>	<u>1,158</u>	<u>61,093</u>	<u>40,568</u>
Total Net Position	<u>\$ 53,866</u>	<u>1,623</u>	<u>55,489</u>	<u>37,974</u>

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DVR's change in net position increased by \$168,993 between years. The increase results from various increases and decrease in revenue sources and expenditure categories, including an increase in operating grants.

PED's funding passes through to the schools. Administrative costs are approximately .7% of the Department's total expenditures. Education continues to be a priority of the state and the Department's operations are adequately supported by state and federal resources.

Changes in Capital Assets

During the fiscal year 2014, PED did not dispose of equipment and furniture so there were not changes between FY 13 and FY 14 deletions. DVR disposed of equipment and furniture with a value of \$54,440.

**Table A-3
The Department's Capital Assets**

	(Dollars in Thousands)			
	June 30, 2014			June 30, 2013
	PED	DVR	Department	Department
Art Acquisitions	\$ 6	-	6	6
Equipment and Machinery	4,441	1,076	5,517	6,196
Accumulated Depreciation	<u>(4,340)</u>	<u>(913)</u>	<u>(5,253)</u>	<u>(5,959)</u>
Total capital assets, net	<u>\$ 107</u>	<u>163</u>	<u>270</u>	<u>243</u>

Capital Assets for the Department are presented in Note 8 to the financial statements to illustrate changes from the prior year.

Reporting the Department's Most Significant Funds

The Department's two kinds of funds are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and description of each existing fund type follow:

Governmental funds: Governmental funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

- General fund – The primary operating fund of the Department accounts for all financial resources, except those required to be accounted for in other funds.

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- Special revenue funds – These account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Fiduciary funds. Fiduciary funds account for assets held by the Department in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Department.

- Private purpose trust funds – These funds are used to account for trust arrangements under which principal or interest benefit specific individuals or organizations, but not the reporting government.
- Agency funds – These are used to account for assets held on behalf of individuals, private organizations, other government and/or other funds.

General Fund Budgetary Highlights

The New Mexico State Legislature makes annual appropriations to the Department. Amendments to the appropriated budget require approval by the Budget Division of the Department of Finance and Administration, with review by the Legislative Finance Committee.

Supplemental and special appropriations are not reflected in the actual beginning balances.

Over the course of the year, the Department adjusts its budget as authorized in the Appropriation Act. These budget adjustments fall into three categories:

- Budget adjustment requested made during the fiscal year to allow the Department to utilize funds where needed.
- Budget adjustment requests to increase or decrease other state funds based on actual revenues.
- Budget adjustment requests that adhere to required operating budget cuts in compliance with Legislative actions.

With regard to the Public Education Department, general fund support increased by \$1.9 million or 4.6% for FY14. Most of this increase is the result of moving previously recognized nonrecurring funding for the Operating Management Budget System and the Student, Teacher Accountability Reporting System, both important components of the state's accountability and management operations, into the agency base. A modest increase was also included to fund five previously unfunded positions.

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Recognizing the importance of early learning of future student success, the Governor signed the General Appropriations Act that increased funding for Prekindergarten by \$4.9Million, Kindergarten-three Plus by \$8.1 million, and \$3 million for early reading initiatives.

As part of the Governors new Ready for Success initiative, the Governor appropriated through general fund dollars, \$500,000 each for the Workforce Readiness Initiative, Early College and High School Start Up initiative, and Dropout Prevention initiative. The programs provide access to explore careers and skills needed for success in school and work. Additionally, the programs propel students forward by engaging in a high school level class designed to expose students to the rigors of college; and creates opportunities for earned college credit upon postsecondary enrollment.

PED budgetary statements are shown both in the major fund financial statements and the required supplemental information portion of the financial statements.

PED's SHARE Fund No. 05700 General Fund expenditures by category on the modified accrual basis are shown below.

	Final Budget	Actual Amount
Personal Services & Employee Benefits	\$ 11,540,700	11,520,966
Contractual Services	1,048,800	1,049,350
Other	1,158,100	1,796,997
Total Expenditures	<u>\$ 13,747,600</u>	<u>14,367,313</u>

PED's SHARE Fund No. 85800 Public School Support Flow Through expenditures by category on the modified accrual basis are shown below.

	Final Budget	Actual Amounts
Personal Services & Employee Benefits	\$ -	-
Contractual Services	-	-
Other	<u>2,466,302,275</u>	<u>2,454,753,470</u>
Total Education	<u>\$ 2,466,302,275</u>	<u>2,454,753,470</u>

By virtue of the language contained in the General Appropriation Act, General Fund appropriations to NMDVR do not revert to the State General Fund.

The DVR federal Vocational Rehabilitation grant program continued to address challenges during FY14 in the areas of financial management, indirect costs, and maintenance-of-effort of

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effort requirements for non-federal expenditures. It is anticipated that DVR will make concerted efforts to increase performance levels, accountability, and the ability to derive detailed accounting information from the SHARE accounting system in FY15.

The DVR budget for the Disability Determination Services program for FY14 remained virtually level from the previous fiscal year. DDS anticipated an increase in medical costs and medical consultant costs, however, medical costs decreased during the fiscal year. Limitations on hiring for vacated positions also impacted closing numbers due to employee retirements and transfers, without the ability to replace them.

The potential for a lack of federal appropriations, and the federal government operating under continuing resolutions, continues to be a risk to the federal grant funding streams that support DVR. These risks generally are resolved relatively quickly at the federal level when they do occur, and federal funding generally is restored at previous levels.

Economic and Budgetary Factors

The Public Education Department overall FY 14 Budget was an increase of approximately \$1.5 or 5 % from the FY 13 appropriated budget. The increase was to support and prioritize classroom funding and for statewide education reform initiatives.

NMDVR: The NMDVR experienced a reduction in its federal grant allotment under the Vocational Rehabilitation grant from Federal Fiscal Year 2013 (FFY2013) to FFY14 totaling approximately \$2.9 million (from \$19,759.7 in FFY13 to \$16,830.8 in FFY14). The FFY15 federal allotment under the program is expected to remain relatively consistent with the FFY14 amount, barring a maintenance of effort penalty.

The NMDVR Disability Determination Services Program continues to operate under hiring restrictions imposed by the U.S. Social Security Administration, which manages the DDS federal grant funding. This limitation can be modified by SSA depending upon funding availability.

Component Units — New Mexico State-Chartered Schools

The component units for PED consist of the state authorized chartered schools. The state authorized chartered schools were enacted during the 47th Legislative Session in 2006 under Senate Bill 600. In FY 2008, only two schools were authorized as state chartered (Cottonwood Classical Preparatory School and Media Arts Collaborative Charter School).

In FY 2009, seven additional schools were authorized as state-chartered. The seven schools include: Cien Aguas International School, Horizon Academy West, The International School at

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Mesa Del Sol, The New America School, North Valley Academy, School of Dreams Academy, and Taos Academy.

In FY 2010, thirteen additional schools were authorized as state-chartered. The thirteen schools include: Albuquerque School of Excellence, The ASK Academy, Alma D'Arte Charter High, South Valley Preparatory School, Cesar Chavez Community School, The MASTER Program, Tierra Adentro, ACE Leadership High School, Taos Integrated School for the Arts, Albuquerque Sign Language Academy, Creative Education Preparatory Institute, Gilbert L. Sena Charter High School and NM School for the Arts.

In FY 2011, fourteen additional schools were authorized as state-chartered. The fourteen schools include: Academy of Trades & Technology, Albuquerque Institute for Math & Science, Amy Biehl Charter High School, East Mountain High School, La Promesa Early Learning Center, New Mexico International School, Southwest Intermediate Learning Center, Southwest Primary Learning Center, Southwest Secondary Learning Center, The Great Academy, The Montessori Elementary School, Village Academy, J Paul Taylor Academy, and Aldo Leopold Charter School.

In FY 2012, fifteen additional schools were authorized as state-chartered. The thirteen schools include: Coral Community Charter, Estancia Valley Classical Academy, La Jicarita Community School, La Resolana Leadership Academy, La Tierra Montessori School of the Arts and Sciences, McCurdy Charter School, Mission Achievement and Success, Ralph J. Bunche Academy, Red River Valley Charter School, Sage Montessori Charter, Southwest Aeronautics, Mathematics, and Science Academy, The Learning Community Charter School, The New America School-Las Cruces, Uplift Academy, and the William W. & Josephine Dorn Charter Community School.

In FY 2013, one additional school was authorized as state chartered: Walatowa High Charter School.

In FY 2014, three additional schools were authorized as state-chartered. The Three schools include: the Anthony Charter School, Health Leadership High School and the New Mexico Connections Academy. Please consider the additional schools when reviewing the financial analysis of the component units as a whole.

Academy of Trades & technology

- **Brief Discussion**

The Academy of Trades and Technology teaches practical job skills in construction technology and graphing design. Students can earn a high school diploma and the skills needed for collage or a quality job after high school. Students engage in hands-on projects, job training, and community service.

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ACE Leadership Academy

- **Brief Discussion**

The vision of this state charter school is to create a new prototype for public high schools in New Mexico and the United States. The school will be located in the Old Town/Saw Mill/Museum District of Albuquerque in order to provide access to young people from across the city. The school, and its programs, will give cutting edge construction specific learning to students by highly skilled teachers. NMACE is created based on the premise that, given the appropriate design, the school can significantly reduce the number of low income students who currently do not graduate in Albuquerque. The school will capture their imagination and prepare them for college and work.

Albuquerque Institute of Math and Science

- **Brief Discussion**

Albuquerque Institute for Mathematics and Science at UNM (AIMS@UNM) is prepared to provide an extraordinary education to high AIMS@UNM students in the Albuquerque metropolitan area who are interested in pursuing careers requiring advanced math, science, and technology skills. AIMS@UNM will educate an intellectually single minded blend of culturally, ethnically and economically diverse students in a culture of rigor and strength of fortitude, preparing them for early college entrance; driven by motivation, fueled by innovation and guided by a spirit of public service. It will prepare its graduates for post-secondary education, gainful employment, and leadership in New Mexico's high technology industry.

Albuquerque School of Excellence

- **Brief Discussion**

Albuquerque School of Excellence (ASE) will be a college preparatory charter school focusing on math, science and technology. Members of the ASE believe that excelling in

math and science prepares youth to succeed in college, the workplace and the 21st century. The vision is to enable students to succeed in school and have options to enter math, science and engineering careers. Initially, the school will have grades K through 9. One more consequent grade will be added every year afterwards. Total number of students will steadily increase in five years to reach 917.

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The Albuquerque Sign Language Academy

- **Brief Discussion**

The Albuquerque Sign Language Academy is a newly approved charter school which will utilize American Sign Language (ASL) and English in order to achieve academic excellence, support family involvement and promote multicultural community integration. Because of the relatively small number of deaf and hard of hearing (dhh) children, ASLA will accommodate not only deaf and hard of hearing students, but also hearing students - including siblings of dhh, children of deaf adults (CODAs), visual learners and others who would benefit from a bilingual education but are not eligible for enrollment in existing "deaf" programs and schools. Nationally, only a few programs offer this innovative model serving a diverse population. To create an optimal learning environment that is supportive of academic, social and emotional development and to further expand the critical mass of bilingual peers, direct instruction in ASL will be provided across content areas.

Aldo Leopold Charter School

- **Brief Discussion**

Learner centered taking into account students' individual learning styles, multiple intelligences and cultural background to insure effective instructional design and practices in the context of the local community. The program is using local natural and community surroundings as a context for interconnecting all of the educational practices into a comprehensive school curriculum strategy. Model and foster a culture of healthy interpersonal dynamics and communication.

Alma d'Arte Charter High School

- **Brief Discussion**

The mission of Alma is to provide a structured, yet nurturing, environment that emphasizes creativity, collaboration and respect to ensure that every student becomes an active, empathetic, life-long learner prepared for independent and collaborative participation in all aspects of life.

Amy Biehl High School

- **Brief Discussion**

Amy Biehl High School (ABHS) transforms young people from all walks of life into civic-minded college students while they are still in high school. Located in the heart of downtown Albuquerque in a one hundred year old historic building, ABHS is redefining

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the value of a high school diploma by providing a challenging curriculum and cultivating close relationships with students and families.

Anthony Charter School

- **Brief Discussion**

Anthony Charter School works with students and families to identify student abilities, both academically and social-emotionally, using a Personalized Education Plan as a pathway to ensure graduation. ACS provides flexible and personalized programs with each student developing a Personalized Education Plan. The Personalized Education Plan includes a social emotional learning component, based on the NM Core Stands and best instructional practices.

The ASK Academy

- **Brief Discussion**

The Ask Academy (ASK) will emphasize Science, Technology, Engineering & Mathematics (STEM) curricula to create a new learning culture through: project based learning experiences, research programs, building relationships and a strong partnership program to engage students in the learning process and to develop opportunities to become lifelong learners. ASK will improve the retention of core New Mexico State standards by providing multiple opportunities for students to demonstrate skills and knowledge through research, STEM projects, product production and/or services.

Cesar Chavez Community School

- **Brief Discussion**

The Cesar Chavez Community School (CCCS) provides flexible and personalized programs for anyone seeking a high school diploma and who would benefit from services and educational programs offered during non-traditional hours. The intent of CCCS is to provide high caliber educational services during times that are more convenient for non-traditional, working students. Students who need to improve basic skills in reading and/or math will get focused interventions in preparation for the accelerated graduation option.

Cien Aguas International School

- **Brief Discussion**

The Cien Aguas International School is a dual language school serving children from the kindergarten level through the eighth grade. The school's focus is international and environmental and its curriculum integrates students who differ in language, culture

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and income in order to promote high achievement for all students. Cien Aguas seeks to develop confident, curious and compassionate young people who are bilingual and bi-literate, committed to a sustainable society, and who have the academic and interpersonal skills necessary to succeed in further education.

Coral Community Charter

- **Brief Discussion**

Coral Community Charter School (CCC) is a state chartered, public approved school that opened its doors in August 2012. CCC has grades K-3 and will add a grade each year until it serves grades K-6. We are dedicated to providing single gender classes, quality instruction, individualization, and family/community involvement in order to ensure students' proficiency.

Cottonwood Classical Preparatory School

- **Brief Discussion**

The mission of the Cottonwood Classical Preparatory School (CCPS) is to develop highly skilled learning activists who, through a broad knowledge base, can analyze, synthesize and evaluate new information. Students will receive the same or higher standard of education offered by the most academically distinguished public or private schools in New Mexico. CCPS graduates will be prepared to enter and thrive at the world's finest colleges and universities and will also become driving forces in their local, regional, national and global community. Students will be prepared for a dynamic 21st century workforce where cultural differences are studied, respected and valued.

CCPS students will demonstrate social responsibility and integrity through active community involvement and service learning opportunities. Students will be well versed in communicating through reading, speaking, writing and listening with diverse audiences.

Creative Education Preparatory Institute #1

- **Brief Discussion**

The Creative Education Preparatory Institutes (CEPI's) mission is to engage students and their families in learning experiences directed at gaining academic and social skills necessary for personal, social and career success. Students, family and community will view this school as one founded in community and family values, offering societal and career relevant education utilizing technology, community and family resources, and innovative and creative learning. Service learning in the community linked to careers and mentorship will be a core part of the curricula. Success will be judged using a

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continuous improvement process within the Baldrige Framework for Education, as well as tests mandated by the New Mexico Public Education Department.

East Mountain High School

- **Brief Discussion**

East Mountain High School is a model college-preparatory school that provides outstanding learning experiences which engage, challenge and inspire each individual to achieve excellence.

Estancia Valley Classical Academy

- **Brief Discussion**

The Estancia Valley Classical Academy (EVCA) will provide students the benefit of a content rich and academically rigorous classical liberal arts education with a strong civics component, without the price tag of a private school. At EVCA, students will be challenged to excel both in academics and in moral discipline. Students will learn reading, math, and science through time proven methods and will learn a true account of history based in the reading of primary source documents. Furthermore, discipline, ethics, and personal responsibility will be modeled and expected. EVCA's aim is to develop the academic potential and personal character of each of its students, regardless of background, socio-economic status and ability, and to graduate them fully prepared to become intelligent, responsible, and active members of their community.

Gilbert L. Sena Charter High School

- **Brief Discussion**

The Gilbert L. Sena Charter High School's (GSH's) mission is to engage students and their families in an innovative and supportive environment directed at gaining academic and

social skills necessary for personal, social and career success. GSH promotes honors and celebrates student success. GSH's Vision is "Opportunity to accelerate student success." GSH strives to achieve this through a hybrid curriculum which consists of computer aided instruction and teacher facilitation and through our partnership with CNM. Dual credit classes are offered both on GSH's campus and at CNM. These classes are free of charge to students and allow them to attain both high school elective credit and college credit.

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The GREAT Academy

- **Brief Discussion**

The GREAT Academy mission is to ensure that all students Gain Real-world Experience through Active Transition. The Academy exists, not only to improve education for students, but to provide students with the necessary skills for career success. The GREAT Academy promises to make sure that our seniors are prepared for the demands of post-secondary education and/or the career world, in turn, improving the community by improving its residents. The Academy is committed to providing students with an education that is relevant and meaningful to their journey of achieving success.

Health Leadership High School

- **Brief Discussion**

Health Leadership High School is dedicated to hands-on, project-based learning through the lens of the health profession. Curriculum is designed around industry-focused projects, group learning, and student support. Students engage in collaborative work in a supportive, small school environment that values the overall well-being of our young people. We provide the tools and experience students need to become successful leaders in the health care industry.

Horizon Academy West

- **Brief Discussion**

Horizon Academy West (HAW) is a state-authorized chartered school that serves students from kindergarten through 6th grade. The focus is on students' academic achievement and individual development. The school is dedicated to providing students with an academic and social foundation for their continual growth as lifelong learners through a combination of rigorous instruction in the core content areas and an appreciation of our cultural diversity.

International School at Mesa Del Sol

- **Brief Discussion**

The International School at Mesa Del Sol (TIS) is a state-authorized chartered school whose vision it is to bring a meaningful, comprehensive contemporary education to all students, regardless of personal circumstance, to motivate them to learn and be actively engaged in our school community.

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J Paul Taylor Academy

- **Brief Discussion**

J. Paul Taylor Academy, in alliance with families at the school and community, will offer a rigorous, well-rounded dual-language, project- based instructional program in a smaller school to promote academic excellence for the diverse students of the Las Cruces area.

La Jicarita Community School

- **Brief Discussion**

The mission of La Jicarita Community School (LJCS) is to provide a safe, open and creative environment for a culturally diverse kindergarten through 6th grade student population in the Peñasco area to learn through curriculum that is firmly based in state and national standards, and also fosters compelling life-relevant connections for children through learning expeditions. As an Expeditionary Learning school, our program focuses on service learning, place-based education and ecological education, with an added emphasis in second language learning and teaching through the arts. We honor a child's individuality and natural desire to learn, as well as their ability to think critically, reflect upon their world and promote positive change in their community.

La Promesa Early Learning Center

- **Brief Discussion**

La Promesa Early Learning Center Ensures that culturally and linguistically diverse students thrive in an academic, family centered, developmentally seamless continuum of learning where high expectations, respect and empowerment meet grade level proficiency.

La Resolana Leadership Academy

- **Brief Discussion**

The La Resolana Leadership Academy (LRLA) provides a rigorous and high quality academic program in a small and safe traditional middle school setting. Individual Learning Plans are developed for every student in order to ensure academic success in higher education. Students will learn to cultivate meaningful relationships, learn the importance of building a strong character and develop the skills for setting personal and educational goals for the future. Students will participate in community service and service learning projects which helps to develop responsibility in becoming productive and caring citizens.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

La Tierra Montessori School of the Arts and Sciences

- **Brief Discussion**

La Tierra Montessori School of the Arts and Sciences will provide K-8 students in Española, NM and the surrounding communities with the opportunity to improve educational outcomes and reach their maximum potential through an integrated experiential curriculum designed to serve individual learners, the school community of learners, and the community as a whole. La Tierra Montessori School of the Arts and Sciences will utilize an integrated approach to education including Montessori, the Arts, and other proven educational models. Our goal is to foster competent, responsible, healthy and independent citizens who love learning and respect themselves, other people and their environment. Tierra Montessori School of the Arts and Sciences is an approved, free, public, charter school set to open in fall 2012 for K-6 grades.

The MASTERS Program

- **Brief Discussion**

The mission of the Masters Program (MASTER) is to support the goal of a college education as an option for every student by expecting all students to perform at rigorous academic levels when provided challenging educational activities by inspired, talented teachers. The educational philosophy and approach of MASTER will be designed with an emphasis on Mathematics, Arts, Science, Technology, Engineering, Reading and Service (MASTERS). A STEM curriculum will be offered. Teachers will be trained in the Paideia Philosophy of education, which focuses on higher level thinking and communication.

McCurdy Charter School

- **Brief Discussion**

The McCurdy Charter School (MCS) focuses on two inter-twined elements that we believe are essential to an education in Northern New Mexico; the perceived “value” of education and education is much more than just academics. The first element focuses on the need to surround students with an environment of staff, families and stakeholders who value education in their own lives and who recognize the long term impact it has in molding and shaping a student’s life. The second element mandates that education is a combination of academic excellence and achievement, character development and community engagement. Because the whole is always greater than just the sum of its parts, a well-rounded education is much more likely to ensure a well-rounded student.

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MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

Media Arts Collaborative Charter School

- **Brief Discussion**

The Media Arts Collaborative Charter School (MACCS) provides a high school education through a holistic approach that blends media arts with responsibility and integrity in an inclusive and diverse academic environment.

MACCS provides an integrated, inclusive curriculum through hands-on experiential learning that satisfies New Mexico standards for graduation from secondary schools. We seek to prepare students for an education in the media arts at the university and community college level, as well as to prepare all students to understand the role of media arts in the world and how people's lives are affected by them. Our mission stems from the need to provide an education that recognizes the extensive influence the media has on our children and society.

Mission Achievement and Success

- **Brief Discussion**

The educational philosophy of Mission Achievement and Success (MAS) is that when provided solid, research based instructional practices, all students can learn. This includes students typically identified as being "at risk." MAS is built on the founding belief that equal access to high quality education must be afforded to all students and that all students have the potential to succeed. At the core of high quality education is the delivery of standards based instruction through research based instructional practices that are provided in an effective learning environment; and where commitment to academic excellence is instilled in students as a basic belief, and life skills, that extend far beyond the classroom, are developed within each student.

The Montessori Elementary School

- **Brief Discussion**

The Montessori Elementary School (TMES) offers an accelerated program by providing a strong Montessori academic curriculum combined with a unique fine arts program including Suzuki Method, Orff Music, and Visual Arts. The mission of TMES is to encourage students grades K-8 to become responsible citizens who have the ability and desire to fulfill lifelong educational and social goals.

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Year Ended June 30, 2014**

The New America School

- **Brief Discussion**

The New America School (NAS) is a state-authorized public charter high school dedicated to serving a unique population - recent immigrants and English Language learners. NAS was created to serve un-enrolled students who might lack the English skills to succeed in mainstream high schools. The program helps students thrive in high school, and positions them for post-secondary education or whatever career options they may pursue.

The New America School-Las Cruces

- **Brief Discussion**

The New America School is a system of publicly funded charter high schools. The mission of The New America School is to empower new immigrants and English Language Learners with the educational tools and support they need to maximize their potential, succeed and live the American dream. New America schools are located in diverse communities where the need is greatest. We have three campuses in the metro Denver area, a campus in Albuquerque, New Mexico and opened a new campus in August 2012 in Las Cruces, New Mexico.

New Mexico Connections Academy

- **Brief Discussion**

New Mexico Connections Academy's outstanding curriculum is custom-designed for superior results. With a customized learning program for each student's unique abilities, it creates the ideal opportunity for students to excel. Instruction tailored to the right level of each student means less stress, more success. With hundreds of courses, other curriculum is highly varied and flexible. Texts, learning materials, and online resources are woven into the courses. Lesson content and interactive learning activities engage students in individual study and collaboration with their classmates.

New Mexico International School

- **Brief Discussion**

New Mexico International School (NMIS) will provide K-5 students an educational program focused on inquiry-based teaching and learning, the acquisition of languages, and the development of social, emotional, and rigorous academic skills necessary to function in our local, national, and international community. Students at NMIS will learn respect for themselves; their community; and the larger diverse world in which they live

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MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

while developing a moral consciousness that will help them build integrity into their lives.

New Mexico School for the Arts

- **Brief Discussion**

The New Mexico School for the Arts (NMSA) is dedicated to arts mastery and academic excellence, assisting passionate young artists in developing their full potential. The primary vision of NMSA is to provide students with the tools to pursue a career in the arts, either as a practicing artist or in the arts industry, and to successfully receive a high school diploma. NMSA envisions its graduates to be productive members of the artistic and creative workforce and/or to be successful college students.

The North Valley Academy

- **Brief Discussion**

The North Valley Academy (NVA) is a state-authorized chartered school committed to providing all students with a rich and well-balanced education through a rigorous focus on Mathematics, Language Arts and an emphasis on Health and Wellness.

Ralph J. Bunche Academy

- **Brief Discussion**

Ralph J. Bunche Academy will be a community of learners who explore, discover, and prepare to assume leadership roles through the use of Afrocentric, technology infused, interdisciplinary project-based, and standards guided learning experiences.

Red River Valley Charter School

- **Brief Discussion**

To provide a child-centered education that addresses the strengths, needs, interests, and cultures that equip our students with the knowledge and skills needed to meet challenges and succeed in a rapidly changing world. We are public charter school founded by a group of parents interested in establishing a multi-cultural learning environment that meets the academic needs of children.

Sage Montessori Charter

- **Brief Discussion**

In partnership with parents, Sage Montessori Charter School (SMCS) will provide K-8 students the broad educational opportunity afforded by a model Montessori program

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MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

coupled with exciting and enriching artistic experiences in art and music, enabling each student to develop values and abilities essential to successfully meet their educational goals and lifelong fulfillment as productive citizens and members of a global community.

School of Dreams Academy

- **Brief Discussion**

The School of Dreams Academy (SODA) is a New Mexico state authorized charter school located within the boundaries of Valencia County. The focus of the school is to enhance student achievement through utilization of instruction in the arts, literacy, character education and community involvement through various service learning opportunities. SODA offers a quality, research-based core academic program through the virtual learning program, Education 2020.

South Valley Preparatory School

- **Brief Discussion**

South Valley Preparatory School (SVP) proposes to serve students in grades 6, 7 and 8 in the South Valley of Albuquerque, New Mexico. The mission of SVP is to provide a small, safe learning community so that students in the South Valley can engage in a rigorous and relevant academic curriculum. We believe it is here, within a unique family framework, where individual student's strengths can be cultivated while expanding academic horizons and fostering active citizenship.

Southwest Aeronautics, Mathematics, and Science Academy

- **Brief Discussion**

The mission of the Southwest Aeronautics, Mathematics, and Science Academy is to prepare students in grades 7 – 12, through an Integrative STEM educational model with an Aeronautics focus, to become self-motivated, independent, competent, lifelong learners in a unique 21st century global educational environment. Students will be equipped with the reading, writing, mathematical, scientific, technological and problem solving skills necessary for success in post-secondary education and high-tech, aviation related careers.

Southwest Intermediate Learning Center

- **Brief Discussion**

The Southwest Intermediate Learning Center is to prepare students to become self-motivated, self-controlled, independent, competent, life-long learners and productive members of society. Southwest Intermediate Learning Center students will

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MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

be equipped with the reading, writing, mathematical, technological and problem-solving skills necessary for success in secondary, post-secondary and personal career choices.

Southwest Primary Learning Center

- **Brief Discussion**

The Southwest Primary Learning Center is to prepare students in grades 4-6 for the future by meeting their academic needs through an emphasis on the four core content areas identified by the New Mexico Public Education Department (language arts, mathematics, science, and social studies). Students are also prepare in meeting their emotional and social needs by integrating the remaining five content areas (the arts, modern, classical and native languages, health education, physical education and career education) into the daily school program.

Southwest Secondary Learning Center

- **Brief Discussion**

The Southwest Secondary Learning Center is to prepare students in grades 7-12 to become self-motivated, independent, competent, life-long learners. Students will be equipped with the reading, writing, mathematical, technological and problem solving skills necessary for success in postsecondary education and personal career choices. Through a long-term commitment to this mission, we will be known as a school that can offer quality alternative learning opportunities for all students. Students, parents and community will see the school as offering challenging and creative learning environments for students.

Taos Academy

- **Brief Discussion**

The Taos Academy (TACS) is a 21st century learning community that provides 5th -11th grade students an engaging and rigorous core curriculum, highly motivating elective classes, leadership and career training, and community involvement through our state-of-the-art 21st century learning environment. The school will be expanding to include the 12th grade in the 2010-2011 school years.

Taos Integrated School of the Arts

- **Brief Discussion**

The Taos Integrated School of the Arts (TISA), a new charter school partnering with parents and community will provide K-8 students in the Taos Municipal School District with the opportunity to reach their maximum potential through a standards-based,

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Year Ended June 30, 2014**

multicultural, thematic and arts-integrated curriculum. TISA's design is a response to the Taos community's expressed desire for a school that brings together current national standards for education with a strong early childhood emphasis in the arts. This district mission necessitates a smaller size classroom to allow for careful fostering of communication and relating skills. Located inside the municipality, enrollment will be complete with 180 students.

The Learning Community Charter School

- **Brief Discussion**

The Learning Community Charter School facilitates a student-centered, individualized education that develops responsible, independent, adaptable, life-long learners who acquire effective thinking and communication skills.

Tierra Adentro

- **Brief Discussion**

The mission of Tierra Adentro: The New Mexico School of Academics, Art and Artesania (TANM) is to create an inclusive and thriving learning environment comprised of a demographically and culturally diverse student population with a focus on academics, art, artesania (artisanship) and the study of the cultures that comprise our rich New Mexican heritage to ensure awareness, preservation, and progression of our cultural legacy.

Uplift Academy

- **Brief Discussion**

The Uplift Community School, in alliance with families and the community of Uplift Community School Family Handbook 2012-2013 Gallup-McKinley County, will provide a rigorous; state-standards based education to grades K-8th using an Expeditionary Learning Model (www.elschools.org) to achieve academic success for all students. The Uplift Community School will meet high expectations for achievement by producing meaningful, high quality work that engages cultural diversity, and integrates inquiry and learning in literature, science, social studies and the arts, while building skills in math, reading and writing. The Uplift Community School will develop leadership and teamwork through a process of planning, reflection and revision and a school culture that values individual initiative and voice.

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Year Ended June 30, 2014**

Village Academy

- **Brief Discussion**

Village Academy Charter School is available to students in grades 6 through 8, in Bernalillo, Rio Rancho, Placitas and all nearby tribal communities. At Village Academy Charter School, teachers and students are focused on the Core Knowledge curriculum. Core Knowledge is a rigorous and relevant curriculum, offered in hundreds of schools across the country. It is based on the belief that a child should not only be academically educated, but also culturally competent. Core Knowledge is built on the foundation that knowledge must be solid, specific, sequenced and shared. Core Knowledge places more emphasis on content, less emphasis on the memorization of facts, and focuses more directly on teaching children how to learn so they can adapt to a rapidly changing world.

Walatowa High Charter School

- **Brief Discussion**

Walatowa High Charter School (WH)- Through a community-integrated experiential learning program, Walatowa High Charter School will prepare students to be academically successful , while promoting Cultural awareness, community wellness, Leadership, College and Career readiness. The principal focus of Walatowa High's academic program is early college preparation, including dual credit coursework. The pre-college focused curriculum also emphasizes the value of the community's (Jemez, Zia and Jemez Valley Corridor) culture, and traditions. From the outset, the school founders, administrators, faculty and governance council have recognized that young people who understand their identity and appreciate their unique heritage are the best equipped to become effective students and citizens. Students are challenged with advanced courses in core subject areas and enter the dual credit program by their junior year of high school. WHCS maintains strong partnerships with post-secondary institutions to ensure the implementation of our college and career preparation program. Partnership such as University of New Mexico, Southwestern Indian Polytechnic Institute, Institute of American Indian Arts, Central New Mexico College, Eastern New Mexico University, New Mexico State University, UNM-Los Alamos, and Arizona University. In addition, through the Gear UP NM program, Exemplary Program and Federal Programs, Walatowa has been able to bring parents and students together in preparation for post-secondary enrollment.

William W. & Josephine Dorn Charter Community School

- **Brief Discussion**

William W. & Josephine Dorn Charter Community School (WWJDC) is a new k- 5 public community charter school. We believe that residents of the community should have

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Year Ended June 30, 2014**

direct input on how their children are being educated. WWJDC's academic program and school design propels student learning and achievement. Here at WWJDC we believe that all children should be able to read by the third grade, and know their multiplication tables by the fifth. We believe that developing a lifelong passion for learning is essential in having children succeed. WWJDC has adopted a unique educational model to teach students with more hands on activities than standard schools.

Financial Analysis of the Component Units as a Whole

Net Position

The Component Units' net position as June 30, 2014 was \$33.5 million. Table A-4 summarizes the Component Units' net position for the fiscal years ended June 30, 2014 and 2013.

**Table A-4
The Component Units' Net Position**

	<u>June 30, 2014</u> Component Units	<u>June 30, 2013</u> Component Units
Assets:		
Current assets	\$ 30,141,849	27,698,423
Other assets	271,393	117,050
Capital assets, net	44,394,633	45,403,499
Total Assets	<u>74,807,875</u>	<u>73,218,972</u>
Current Liabilities		
Accounts payable	1,400,398	948,151
Accrued payroll	4,246,075	3,758,747
Unearned revenue	771,248	2,639,063
Other current liabilities	3,190,441	2,727,283
Compensated absences	246,474	140,218
Total Current liabilities	<u>9,854,636</u>	<u>10,213,462</u>
Non-Current Liabilities		
Other non-current liabilities	<u>31,394,354</u>	<u>34,913,696</u>
Net Position:		
Net investment in capital assets	11,373,149	21,875,974
Restricted	8,042,093	2,564,835
Unrestricted	14,143,643	3,651,005
Total net position	<u>33,558,885</u>	<u>28,091,814</u>
Total net position and liabilities	\$ <u>74,807,875</u>	<u>73,218,972</u>

**STATE OF NEW MEXICO
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MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

**Table A-5
The Component Units' Change in Net Position**

	<u>June 30, 2014</u> Component Units	<u>June 30, 2013</u> Component Units
Revenues:		
Program Revenues		
Charges for services	\$ 1,160,299	916,566
Operating Grants & contributions	13,618,863	14,325,147
Capital grants & contributions	12,709,454	7,210,607
General revenues and transfers:		
State equalization guarantee	95,042,427	81,168,253
State appropriations	142,386	593,638
Miscellaneous	3,845,730	4,489,282
Gain (loss) on disposal of capital assets	(109,594)	811
Total Revenues	<u>126,409,565</u>	<u>108,704,304</u>
Expenses:		
Instruction	58,773,481	103,353,106
Support Services	47,160,192	-
Operation of Non-Instructional Services	13,920,202	-
Interest on Long-Term Debt	553,951	-
	<u>120,407,826</u>	<u>103,353,106</u>
Changes in Net Position	6,001,739	5,351,198
Beginning Net Position	28,091,814	22,373,042
(Restatement)/Transfer in Component Units	(534,668)	367,574
Ending Net Position	<u>\$ 33,558,885</u>	<u>28,091,814</u>

Changes in Capital Assets

During fiscal year 2014, Component Unit net capital assets increased by \$22,009,330 primarily due to acquisition of buildings and land as well as capitalization of land and building improvements.

	<u>June 30, 2014</u> Component unit	<u>June 30, 2013</u> Component Units
Capital Assets	\$ 52,615,799	28,629,568
Accumulated depreciation	<u>(8,221,166)</u>	<u>(6,244,265)</u>
Total capital assets, net	<u>\$ 44,394,633</u>	<u>22,385,303</u>

Capital Assets for the Component Units are presented in the Combining Statements of Net Position within the basic financial statements.

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MANAGEMENTS DISCUSSION AND ANALYSIS (CONTINUED)
Year Ended June 30, 2014**

Reporting the Component Units' Most Significant Funds

The Department's two kinds of funds are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and description of each existing fund type follow:

Governmental funds: Governmental funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

- General fund – The primary operating fund of the Department accounts for all financial resources, except those required to be accounted for in other funds.
- Special revenue funds – These account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- Capital projects funds – Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities or other capital assets.

Fiduciary funds: Fiduciary funds account for assets held by the Department in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Department.

- Private purpose trust funds – These funds are used to account for trust arrangements under which principal or interest benefit specific individuals or organizations, but not the reporting government.
- Agency funds – These are used to account for assets held on behalf of individuals, private organizations, other government and/or other funds.

Requests for Information

The financial report is designed to provide citizens, taxpayers, customers, legislators, and investors and creditors with a general overview of the Department's finances and to demonstrate the Department's accountability for the funds it received. If you have questions about this report or need additional financial information contact:

New Mexico Public Education Department
Administrative Services Division
Education Building, 300 Don Gaspar, Room 226
Santa Fe, New Mexico 87501-2786.

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF NET POSITION
June 30, 2014

	<u>Governmental Activities</u>	<u>Component Units</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ -	24,194,596
Investment in State General Fund Investment Pool	106,943,762	-
Due from Federal Government	114,960,410	-
Due from Other State Agencies	60,227,870	5,053,728
Due from to Local Education Authorities	321,617	-
Due from External Miscellaneous Parties	38,300	79,879
Due from Agency Fund	3,118,458	-
Prepaid Expenditures	-	813,646
Other Assets	26,889	271,393
Total Current Assets	<u>285,637,306</u>	<u>30,413,242</u>
NON-CURRENT ASSETS:		
Capital Assets	5,523,232	52,615,799
Accumulated Depreciation	(5,252,658)	(8,221,166)
Total Non-Current Assets	<u>270,574</u>	<u>44,394,633</u>
Total Assets	<u>285,907,880</u>	<u>74,807,875</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	152,582,757	1,400,398
Accrued Payroll and Taxes	790,993	4,246,075
Interest in State General Fund Investment Pool-Overdraft	308,767	-
Cash Overdraft	-	222,452
Due to State General Fund	12,971,883	-
Due to Other State Agencies	1,970,254	305,990
Due to Federal Government	3,086,123	-
Due to Local Education Authorities	414,948	-
Unearned Revenue	2,499,852	771,248
Accrued Interest	-	235,090
Compensated Absences - Due Within One Year	1,242,032	246,474
Current Portion of Long - Term Debt	-	2,426,909
Other Current Liabilities	5,432,349	-
TOTAL CURRENT LIABILITIES	<u>181,299,958</u>	<u>9,854,636</u>
NON-CURRENT LIABILITIES:		
Contingency Payable - Maintenance of State Financial Support	49,118,548	-
Long-Term Debt	-	31,394,354
TOTAL NON-CURRENT LIABILITIES	<u>49,118,548</u>	<u>31,394,354</u>
TOTAL LIABILITIES	<u>230,418,506</u>	<u>41,248,990</u>
NET POSITION		
Net Investment in Capital Assets	270,574	11,373,149
Restricted	40,916,272	8,042,093
Unrestricted	14,302,528	14,143,643
TOTAL NET POSITION	<u>\$ 55,489,374</u>	<u>33,558,885</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES:						
Education	\$ 3,009,492,788	6,427,268	397,772,119	-	(2,605,293,401)	-
Health and Welfare	32,563,815	311,452	26,615,768	-	(5,636,595)	-
Total Primary Government	\$ 3,042,056,603	6,738,720	424,387,887	-	(2,610,929,996)	-
COMPONENT UNITS						
Instruction	\$ 58,773,481	841,245	10,657,949	716,100	-	(46,558,187)
Support Services	47,160,192	44,641	1,355,951	611,302	-	(45,148,298)
Operation of Non-Instructional Services	13,920,202	274,413	1,604,963	11,382,052	-	(658,774)
Interest on Long-Term Debt	553,951	-	-	-	-	(553,951)
Total Component Units	\$ 120,407,826	1,160,299	13,618,863	12,709,454	-	(92,919,210)
GENERAL REVENUES AND TRANSFERS:						
State general fund - general appropriations					\$ 2,523,362,700	142,386
State general fund - special appropriations					56,829,900	-
State equalization guarantee					-	95,042,427
Bond proceeds appropriations					40,537,035	-
Transfers in - other					1,209,500	-
Transfers out - other					(2,868,519)	-
Transfers out - State General fund reversions - FY14					(12,648,925)	-
Property taxes					-	1,591,577
Interest Income					-	-
Miscellaneous					-	2,254,153
Loss on the disposal of assets					-	(109,594)
TOTAL GENERAL REVENUES AND TRANSFERS					2,606,421,691	98,920,949
CHANGE IN NET POSTION					(4,508,305)	6,001,739
NET POSITION, BEGINNING					37,974,167	28,091,814
RESTATEMENT (NOTE 21)					22,023,512	(534,668)
NET POSITION, BEGINNING AS RESTATED					59,997,679	27,557,146
NET POSTION, ENDING					\$ 55,489,374	33,558,885

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
BALANCE SHEETS - GOVERNMENTAL FUNDS
June 30, 2014

	PED General Fund 05700	DVR General Fund 50000	Disability Determination Services 50100
ASSETS			
Interest in State General Fund			
Investment Pool	\$ 2,314,064	9,389,427	-
Due from Federal Government	-	1,481,102	528,274
Due from Other State Agencies	2,545	-	-
Due from Local Education Authorities	-	-	-
Due from External Miscellaneous Parties	-	-	-
Due from Agency Fund	-	-	-
Due from Other Funds	-	-	-
Other Assets	639	10,552	-
Total Assets	\$ 2,317,248	10,881,081	528,274
LIABILITIES AND FUND BALANCES (DEFICIT):			
Accounts Payable	\$ 898,971	6,193,440	379,576
Accrued Payroll and Taxes	259,500	259,611	121,404
Interest in State General Fund			
Investment Pool-Overdraft	-	-	128,096
Due to State General Fund	322,958	-	-
Due to Other State Agencies	105,620	-	-
Due to Federal Government	5,101	235,067	41
Due to Local Education Authorities	400	-	-
Unearned Revenue	-	2,048,773	3,582
Due to Other Funds	-	-	-
Contingency Payable - Maintenance of State			
Financial Support	-	-	-
Other Liabilities	28,294	-	-
Total Liabilities	1,620,844	8,736,891	632,699
FUND BALANCES (DEFICIT)			
Restricted	-	2,144,190	-
Committed	696,404	-	-
Unassigned (deficit)	-	-	(104,425)
Total Fund Balances (Deficit)	696,404	2,144,190	(104,425)
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 2,317,248	10,881,081	528,274

See Notes to Financial Statements

Federal Department of Education Flowthrough 67300	Special Projects 79000	Public School Support Flowthrough 85800	Other Non- Major Governmental Funds	Total Governmental Funds
-	26,498,692	9,403,437	59,338,142	106,943,762
99,984,703	-	-	12,966,331	114,960,410
-	46,000,000	-	14,225,325	60,227,870
313,068	-	-	8,549	321,617
-	-	-	38,300	38,300
-	3,118,458	-	-	3,118,458
-	-	-	190,392	190,392
6,070	1,517	-	8,111	26,889
<u>100,303,841</u>	<u>75,618,667</u>	<u>9,403,437</u>	<u>86,775,150</u>	<u>285,827,698</u>
93,149,873	12,923,979	-	39,036,918	152,582,757
-	8,723	-	141,755	790,993
180,671	-	-	-	308,767
-	2,385,734	10,263,191	-	12,971,883
-	-	-	1,864,634	1,970,254
1,341,183	-	9,388	1,495,343	3,086,123
4,983	-	-	409,565	414,948
-	-	-	447,497	2,499,852
-	-	-	190,392	190,392
-	49,118,548	-	-	49,118,548
60,763	48,041	74,140	5,221,111	5,432,349
<u>94,737,473</u>	<u>64,485,025</u>	<u>10,346,719</u>	<u>48,807,215</u>	<u>229,366,866</u>
5,566,368	11,133,642	-	22,072,072	40,916,272
-	-	-	16,556,928	17,253,332
-	-	(943,282)	(661,065)	(1,708,772)
<u>5,566,368</u>	<u>11,133,642</u>	<u>(943,282)</u>	<u>37,967,935</u>	<u>56,460,832</u>
<u>100,303,841</u>	<u>75,618,667</u>	<u>9,403,437</u>	<u>86,775,150</u>	<u>285,827,698</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 RECONCILIATION OF THE BALANCE SHEETS - GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
 June 30, 2014

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet)	\$ 56,460,832
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
 Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets	5,523,232
Accumulated Depreciation	<u>(5,252,658)</u>
Total Capital Assets	270,574
 Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund:	
Compensated absences - due within one year	<u>(1,242,032)</u>
Net Position of Governmental Activities (Statement of Net Position)	<u>\$ 55,489,374</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	PED General Fund 05700	DVR General Fund 50000	Disability Determination Services 50100
REVENUES:			
Federal Grants	\$ -	17,301,655	9,314,113
Other Revenue	2,010,056	309,656	1,796
Total Revenues	<u>2,010,056</u>	<u>17,611,311</u>	<u>9,315,909</u>
EXPENDITURES:			
Current:			
Education	13,781,930	-	-
Health and Welfare	-	23,364,699	9,293,655
Capital Outlay	14,226	110,378	-
Total Expenditures	<u>13,796,156</u>	<u>23,475,077</u>	<u>9,293,655</u>
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(11,786,100)</u>	<u>(5,863,766)</u>	<u>22,254</u>
OTHER FINANCING SOURCES (USES):			
State General Fund Appropriations	11,711,900	5,616,700	-
Appropriations Funded with State Severance Bond Proceeds	-	-	-
Transfers in:			
Interfund	-	-	-
Other	74,200	485,300	-
Transfers out:			
Reversions	-	-	-
Interfund	-	-	-
Other	-	-	-
Total Other Financing Sources (Uses):	<u>11,786,100</u>	<u>6,102,000</u>	<u>-</u>
NET CHANGES IN FUND BALANCES	<u>-</u>	<u>238,234</u>	<u>22,254</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>1,267,561</u>	<u>1,905,956</u>	<u>(126,679)</u>
RESTATEMENT (NOTE 21)	(571,157)	-	-
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR AS RESTATED	<u>696,404</u>	<u>1,905,956</u>	<u>(126,679)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 696,404</u>	<u>2,144,190</u>	<u>(104,425)</u>

See Notes to Financial Statements

Federal Department of Education Flowthrough 67300	Special Projects 79000	Public School Support Flowthrough 85800	Other Non-Major Governmental Funds	Total Governmental Funds
230,788,562	-	-	166,983,557	424,387,887
20,583	118,620	214,386	4,063,623	6,738,720
<u>230,809,145</u>	<u>118,620</u>	<u>214,386</u>	<u>171,047,180</u>	<u>431,126,607</u>
230,496,078	47,769,844	2,454,753,470	263,365,902	3,010,167,224
-	-	-	-	32,658,354
-	-	-	-	124,604
<u>230,496,078</u>	<u>47,769,844</u>	<u>2,454,753,470</u>	<u>263,365,902</u>	<u>3,042,950,182</u>
<u>313,067</u>	<u>(47,651,224)</u>	<u>(2,454,539,084)</u>	<u>(92,318,722)</u>	<u>(2,611,823,575)</u>
-	38,079,300	2,464,802,275	59,982,425	2,580,192,600
-	-	-	40,537,035	40,537,035
-	-	-	3,600,000	3,600,000
-	650,000	-	-	1,209,500
-	(2,385,734)	(10,263,191)	-	(12,648,925)
-	(3,600,000)	-	-	(3,600,000)
-	-	-	(2,868,519)	(2,868,519)
<u>-</u>	<u>32,743,566</u>	<u>2,454,539,084</u>	<u>101,250,941</u>	<u>2,606,421,691</u>
<u>313,067</u>	<u>(14,907,658)</u>	<u>-</u>	<u>8,932,219</u>	<u>(5,401,884)</u>
5,253,301	3,505,624	(943,282)	28,976,723	39,839,204
-	22,535,676	-	58,993	22,023,512
<u>5,253,301</u>	<u>26,041,300</u>	<u>(943,282)</u>	<u>29,035,716</u>	<u>61,862,716</u>
<u>5,566,368</u>	<u>11,133,642</u>	<u>(943,282)</u>	<u>37,967,935</u>	<u>56,460,832</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT)
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficit)	\$ (5,401,884)

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

In the Statement of Activities, certain operating expenses (compensated absences payable) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The change in the liabilities for the year was:

Change in compensated absences payable	866,474
--	---------

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

Capital Outlay	124,604
Depreciation expense	<u>(97,499)</u>
Excess of capital outlay over depreciation expense	<u>27,105</u>

Change in Net Position of Governmental Activities (Statement of Activities)	<u><u>\$ (4,508,305)</u></u>
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See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
PED General Fund 05700
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 11,711,900	11,711,900	11,711,900	-
Other Revenue	1,617,600	1,961,500	2,010,056	48,556
Other Financing Sources	74,200	74,200	74,200	-
Reversions	-	-	(322,958)	(322,958)
Total Revenues	<u>13,403,700</u>	<u>13,747,600</u>	<u>13,473,198</u>	<u>(274,402)</u>
Expenditures:				
Education:				
Personal Services & Employee				
Benefits	11,196,800	11,540,700	11,362,077	178,623
Contractual Services	1,048,800	1,048,800	999,755	49,045
Other	1,158,100	1,158,100	1,111,366	46,734
Total Expenditures	<u>13,403,700</u>	<u>13,747,600</u>	<u>13,473,198</u>	<u>274,402</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
DVR General Fund 50000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grants	\$ 23,079,500	23,079,500	17,301,655	(5,777,845)
State General Fund Appropriations	5,616,700	5,616,700	5,616,700	-
Other Revenue	-	-	309,656	309,656
Other Financing Sources	485,300	485,300	485,300	-
Total Revenues	<u>29,181,500</u>	<u>29,181,500</u>	<u>23,713,311</u>	<u>(5,468,189)</u>
Expenditures:				
Health and welfare:				
Personal Services & Employee				
Benefits	12,521,400	12,540,700	10,830,591	1,710,109
Contractual Services	776,900	776,900	305,093	471,807
Other	15,863,900	15,863,900	12,339,393	3,524,507
Total Expenditures	<u>29,162,200</u>	<u>29,181,500</u>	<u>23,475,077</u>	<u>5,706,423</u>
NET CHANGE IN FUND BALANCE	<u>\$ 19,300</u>	<u>-</u>	<u>238,234</u>	<u>238,234</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
Disability Determination Services 50100
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grants	\$ 16,796,200	16,796,200	9,314,113	(7,482,087)
Other Revenue	-	-	1,796	1,796
Total Revenues	<u>16,796,200</u>	<u>16,796,200</u>	<u>9,315,909</u>	<u>(7,480,291)</u>
Expenditures:				
Health and welfare:				
Personal Services & Employee				
Benefits	6,261,200	6,261,200	4,221,545	2,039,655
Contractual Services	339,100	339,100	279,302	59,798
Other	10,195,900	10,195,900	4,792,808	5,403,092
Total Expenditures	<u>16,796,200</u>	<u>16,796,200</u>	<u>9,293,655</u>	<u>7,502,545</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>22,254</u>	<u>22,254</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
Federal Department of Education Flowthrough 67300
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ 255,395,366	255,395,366	230,788,562	(24,606,804)
Other Revenue	-	-	20,583	20,583
Total Revenues	<u>255,395,366</u>	<u>255,395,366</u>	<u>230,809,145</u>	<u>(24,586,221)</u>
Expenditures:				
Education:				
Contractual Services	8,293,037	8,315,094	4,920,418	3,394,676
Other	<u>247,102,329</u>	<u>247,080,272</u>	<u>225,575,660</u>	<u>21,504,612</u>
Total Expenditures	<u>255,395,366</u>	<u>255,395,366</u>	<u>230,496,078</u>	<u>24,899,288</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>313,067</u>	<u>313,067</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
Special Projects 79000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 85,279,300	85,279,300	38,079,300	(47,200,000)
Other Revenue	-	-	118,620	118,620
Other Financing Sources	2,450,000	2,450,000	650,000	(1,800,000)
Reversions	-	-	(2,385,734)	(2,385,734)
Total Revenues	<u>87,729,300</u>	<u>87,729,300</u>	<u>36,462,186</u>	<u>(51,267,114)</u>
Expenditures:				
Education:				
Personal Services & Employee Benefits	471,937	429,937	418,868	11,069
Contractual Services	19,394,600	18,807,951	16,503,530	2,304,421
Other	64,262,763	64,699,012	30,847,446	33,851,566
Other Financing Uses	3,600,000	3,792,400	3,600,000	192,400
Total Expenditures	<u>87,729,300</u>	<u>87,729,300</u>	<u>51,369,844</u>	<u>36,359,456</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(14,907,658)</u>	<u>(14,907,658)</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis
General and Major Special Revenue Funds
Public School Support Flowthrough 85800
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 2,464,802,275	2,464,802,275	2,464,802,275	-
Other Revenue	-	-	214,386	214,386
Other Financing Sources	1,500,000	1,500,000	-	(1,500,000)
Reversions	-	-	(10,263,191)	(10,263,191)
Total Revenues	<u>2,466,302,275</u>	<u>2,466,302,275</u>	<u>2,454,753,470</u>	<u>(11,548,805)</u>
Expenditures:				
Education:				
Other	<u>2,466,302,275</u>	<u>2,466,302,275</u>	<u>2,454,753,470</u>	<u>11,548,805</u>
Total Expenditures	<u>2,466,302,275</u>	<u>2,466,302,275</u>	<u>2,454,753,470</u>	<u>11,548,805</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUND
June 30, 2014

	Agency Fund
	57300
ASSETS	
Interest in State General Fund Investment Pool	\$ 5,964,212
Due from Other State Agencies	<u>121,071</u>
Total Assets	<u><u>\$ 6,085,283</u></u>
LIABILITIES	
Due to Other Funds	\$ 3,118,458
Due to External Parties	<u>2,966,825</u>
Total Liabilities	<u><u>\$ 6,085,283</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2014

	Private Purpose Trusts 61600 & 99300
ASSETS	
Interest in State General Fund Investment Pool	\$ 44,873
Certificate of Deposit	<u>20,000</u>
Total Assets	<u>64,873</u>
LIABILITIES	
Due to External Parties	<u>-</u>
Total Liabilities	<u>-</u>
NET POSITION	
Reserved for Scholarships	<u><u>\$ 64,873</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2014

	Private Purpose Trusts <u>61600 & 99300</u>
ADDITIONS	
Investment Earnings - Interest	\$ 216
DEDUCTIONS	
Scholarship Expense	<u>-</u>
CHANGE IN NET POSITION	216
NET POSITION, BEGINNING	<u>64,657</u>
NET POSITION, ENDING	<u><u>\$ 64,873</u></u>

See Notes to Financial Statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF NET POSITION - Discretely Presented Component Units
June 30, 2014

	Academy of Trade and Technology	ACE Leadership High School	AIMS at UNM
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 214,014	963,170	1,960,351
Receivables			
Due From Other Governments	116,169	279,239	94,499
Other Receivables	-	-	-
Deposits	1,620	-	-
Prepaid Expenditures	14,916	540,265	14,684
Other	-	-	97,142
TOTAL CURRENT ASSETS	346,719	1,782,674	2,166,676
NON-CURRENT ASSETS:			
Capital Assets			
Land and Land Improvements	-	1,196,050	-
Construction-in-Process	-	510,020	-
Building and Improvements	1,877,170	-	-
Leasehold Improvements	-	-	-
Software	-	-	-
Vehicles	67,361	-	-
Furniture, Fixtures, and Equipment	315,189	44,835	77,553
Playground Equipment	-	-	-
Less: Accumulated Depreciation	(561,003)	(15,390)	(20,241)
TOTAL NONCURRENT ASSETS	1,698,717	1,735,515	57,312
TOTAL ASSETS	2,045,436	3,518,189	2,223,988
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	110,469	270,922	44,273
Cash Overdraft	-	-	-
Accrued Liabilities	29,589	2,182	149,826
Accrued Interest	-	-	-
Unearned Revenue	-	575,000	175,000
Compensated Absences	14,000	-	-
Due to Other Governments	-	-	-
Current Portion of Long-Term Debt	55,374	194,125	-
TOTAL CURRENT LIABILITIES	209,432	1,042,229	369,099
NON CURRENT LIABILITIES			
Long Term Debt	929,302	884,384	-
TOTAL NONCURRENT LIABILITIES	929,302	884,384	-
TOTAL LIABILITIES	1,138,734	1,926,613	369,099
NET POSITION			
Net Investment in Capital Assets	714,041	657,006	57,312
Restricted	74,768	1,135,307	701,307
Unrestricted (Deficit)	117,893	(200,737)	1,096,270
TOTAL NET POSITION (DEFICIT)	\$ 906,702	1,591,576	1,854,889

<u>Albuquerque School of Excellence</u>	<u>Albuquerque Sign Language Academy</u>	<u>Aldo Leopold High School</u>	<u>Alma d'arte Charter High School</u>	<u>Amy Biehl Charter School</u>	<u>Anthony Charter School</u>
297,242	377,284	633,686	14,640	1,135,003	292,720
120,406	141,685	97,984	14,381	43,888	53,847
-	-	-	-	-	-
-	-	-	-	-	-
-	10,364	5,870	-	-	-
-	-	-	-	4,200	-
<u>417,648</u>	<u>529,333</u>	<u>737,540</u>	<u>29,021</u>	<u>1,183,091</u>	<u>346,567</u>
-	-	-	-	33,950	-
-	-	-	-	-	-
-	-	43,341	-	3,978,516	724,827
-	-	-	-	-	-
-	-	-	-	-	-
-	-	15,200	-	-	-
61,562	15,755	87,826	156,496	171,202	19,873
-	-	-	-	-	-
<u>(29,412)</u>	<u>(10,249)</u>	<u>(52,304)</u>	<u>(140,475)</u>	<u>(1,078,654)</u>	<u>(19,873)</u>
<u>32,150</u>	<u>5,506</u>	<u>94,063</u>	<u>16,021</u>	<u>3,105,014</u>	<u>724,827</u>
<u>449,798</u>	<u>534,839</u>	<u>831,603</u>	<u>45,042</u>	<u>4,288,105</u>	<u>1,071,394</u>
18,506	15,752	3,010	13,132	18,432	7,060
-	-	-	-	-	-
133,977	82,232	22,340	45,867	-	6,645
-	-	-	-	-	-
-	13,718	-	-	-	-
-	-	18,939	-	-	-
-	15,622	-	-	-	-
-	-	-	-	-	-
<u>152,483</u>	<u>127,324</u>	<u>44,289</u>	<u>58,999</u>	<u>18,432</u>	<u>13,705</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>152,483</u>	<u>127,324</u>	<u>44,289</u>	<u>58,999</u>	<u>18,432</u>	<u>13,705</u>
32,150	5,506	94,063	16,021	3,105,014	724,827
130,978	110,502	80,237	1,017	386,135	45,384
134,187	291,507	613,014	(30,995)	778,524	287,478
<u>297,315</u>	<u>407,515</u>	<u>787,314</u>	<u>(13,957)</u>	<u>4,269,673</u>	<u>1,057,689</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF NET POSITION - Discretely Presented Component Units (Continued)
June 30, 2014

	ASK Academy	Cesar Chavez Community School	Cien Aguas International School
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 478,323	532,227	624,870
Receivables			
Due From Other Governments	5,871	51,235	60,433
Other Receivables	-	-	-
Deposits	-	13,000	-
Prepaid Expenditures	-	-	14,352
Other	-	3,600	-
TOTAL CURRENT ASSETS	<u>484,194</u>	<u>600,062</u>	<u>699,655</u>
NON-CURRENT ASSETS:			
Capital Assets			
Land and Land Improvements	-	-	-
Construction-in-Process	-	-	-
Building and Improvements	-	23,270	16,162
Leasehold Improvements	-	-	-
Software	-	-	-
Vehicles	-	-	-
Furniture, Fixtures, and Equipment	6,416	107,402	175,127
Playground Equipment	-	-	-
Less: Accumulated Depreciation	(4,812)	(102,061)	(52,251)
TOTAL NONCURRENT ASSETS	<u>1,604</u>	<u>28,611</u>	<u>139,038</u>
TOTAL ASSETS	<u>485,798</u>	<u>628,673</u>	<u>838,693</u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	5,481	4,360	2,434
Cash Overdraft	-	-	-
Accrued Liabilities	97,475	78,035	143,602
Accrued Interest	-	-	-
Unearned Revenue	-	-	-
Compensated Absences	-	-	-
Due to Other Governments	-	-	10,343
Current Portion of Long-Term Debt	-	-	-
TOTAL CURRENT LIABILITIES	<u>102,956</u>	<u>82,395</u>	<u>156,379</u>
NON CURRENT LIABILITIES			
Long Term Debt	-	-	-
TOTAL NONCURRENT LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>102,956</u>	<u>82,395</u>	<u>156,379</u>
NET POSITION			
Net Investment in Capital Assets	1,604	28,611	139,038
Restricted	77,038	51,570	332,170
Unrestricted (Deficit)	304,200	466,097	211,106
TOTAL NET POSITION (DEFICIT)	<u>\$ 382,842</u>	<u>546,278</u>	<u>682,314</u>

<u>Coral Community Charter</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Creative Education Preparatory Institute #1</u>	<u>East Mountain High School</u>	<u>Estancia Valley Classical Academy</u>	<u>Gilbert L Sena Charter High School</u>
122,642	1,448,298	22,070	973,005	184,087	330,308
35,672	67,632	174,565	95,505	79,475	124,601
-	75,015	-	-	-	-
-	-	-	-	38,118	-
26,304	14,489	-	1,311	-	-
-	13,597	-	-	6,794	-
<u>184,618</u>	<u>1,619,031</u>	<u>196,635</u>	<u>1,069,821</u>	<u>308,474</u>	<u>454,909</u>
-	3,172,430	-	392,715	-	-
-	-	-	89,752	-	-
-	5,770,204	-	3,718,055	-	-
-	-	-	-	723,897	-
-	-	-	28,228	-	-
-	-	-	-	-	-
67,289	34,782	-	629,240	18,409	162,545
-	-	-	-	-	-
<u>(12,620)</u>	<u>(145,939)</u>	<u>-</u>	<u>(1,036,129)</u>	<u>(217,395)</u>	<u>(84,229)</u>
<u>54,669</u>	<u>8,831,477</u>	<u>-</u>	<u>3,821,861</u>	<u>524,911</u>	<u>78,316</u>
<u>239,287</u>	<u>10,450,508</u>	<u>196,635</u>	<u>4,891,682</u>	<u>833,385</u>	<u>533,225</u>
1,685	5,243	-	99,074	9,482	9,527
-	-	24,174	-	-	-
5,420	282,048	42,520	47,523	157,862	112,655
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,942	-	1,771	-
-	-	-	-	-	-
-	-	-	185,456	59,303	-
<u>7,105</u>	<u>287,291</u>	<u>76,636</u>	<u>332,053</u>	<u>228,418</u>	<u>122,182</u>
-	10,610,000	-	972,966	147,368	-
-	10,610,000	-	972,966	147,368	-
<u>7,105</u>	<u>10,897,291</u>	<u>76,636</u>	<u>1,305,019</u>	<u>375,786</u>	<u>122,182</u>
54,669	(1,778,523)	-	2,663,439	318,240	78,316
33,815	187,093	23,065	172,476	105,722	69,190
143,698	1,144,647	96,934	750,748	33,637	263,537
<u>232,182</u>	<u>(446,783)</u>	<u>119,999</u>	<u>3,586,663</u>	<u>457,599</u>	<u>411,043</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF NET POSITION - Discretely Presented Component Units (Continued)
June 30, 2014

	<u>GREAT Academy</u>	<u>Health Leadership High School</u>	<u>Horizon Academy West</u>
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 474,613	40,192	1,294,482
Receivables			
Due From Other Governments	40,485	36,855	261,015
Other Receivables	-	-	-
Deposits	-	-	-
Prepaid Expenditures	45,000	27,917	-
Other	-	-	-
TOTAL CURRENT ASSETS	<u>560,098</u>	<u>104,964</u>	<u>1,555,497</u>
NON-CURRENT ASSETS:			
Capital Assets			
Land and Land Improvements	-	-	164,000
Construction-in-Process	-	-	-
Building and Improvements	-	-	5,124,083
Leasehold Improvements	-	-	-
Software	-	-	-
Vehicles	126,612	-	-
Furniture, Fixtures, and Equipment	132,940	-	25,140
Playground Equipment	-	-	-
Less: Accumulated Depreciation	(45,365)	-	(139,298)
TOTAL NONCURRENT ASSETS	<u>214,187</u>	<u>-</u>	<u>5,173,925</u>
TOTAL ASSETS	<u>774,285</u>	<u>104,964</u>	<u>6,729,422</u>
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	19,960	5,639	47,124
Cash Overdraft	-	-	-
Accrued Liabilities	9,441	50,125	254,786
Accrued Interest	-	-	132,200
Unearned Revenue	-	-	-
Compensated Absences	65,980	-	10,249
Due to Other Governments	-	-	-
Current Portion of Long-Term Debt	-	-	80,000
TOTAL CURRENT LIABILITIES	<u>95,381</u>	<u>55,764</u>	<u>524,359</u>
NON CURRENT LIABILITIES			
Long Term Debt	-	-	6,635,000
TOTAL NONCURRENT LIABILITIES	<u>-</u>	<u>-</u>	<u>6,635,000</u>
TOTAL LIABILITIES	<u>95,381</u>	<u>55,764</u>	<u>7,159,359</u>
NET POSITION			
Net Investment in Capital Assets	214,187	-	(766,057)
Restricted	48,598	37,393	185,973
Unrestricted (Deficit)	416,119	11,807	150,147
TOTAL NET POSITION (DEFICIT)	<u>\$ 678,904</u>	<u>49,200</u>	<u>(429,937)</u>

International School at Mesa del Sol	J. Paul Taylor Academy	La Jicarita Community School	La Promesa Early Learning Center	La Resolana Leadership Academy	La Tierra Montessori School of the Arts and Sciences
300,778	509	11,317	241,413	43,319	91,350
131,948	55,004	49,777	354,960	22,432	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	5,781	-	-	-
-	-	-	-	-	-
<u>432,726</u>	<u>55,513</u>	<u>66,875</u>	<u>596,373</u>	<u>65,751</u>	<u>91,350</u>
-	-	446,190	1,402,136	-	-
-	-	-	-	-	-
117,836	-	194,712	8,941,177	-	19,850
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
66,946	17,045	88,193	152,070	-	7,845
-	-	-	-	-	-
(56,722)	(16,572)	(26,047)	(836,302)	-	(3,352)
<u>128,060</u>	<u>473</u>	<u>703,048</u>	<u>9,659,081</u>	<u>-</u>	<u>24,343</u>
<u>560,786</u>	<u>55,986</u>	<u>769,923</u>	<u>10,255,454</u>	<u>65,751</u>	<u>115,693</u>
46,760	10,342	32,090	32,841	97,868	-
-	-	-	104,992	-	-
158,823	-	9,111	244,279	29,585	9,725
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	18,757	142,428	-	-
<u>205,583</u>	<u>10,342</u>	<u>59,958</u>	<u>524,540</u>	<u>127,453</u>	<u>9,725</u>
-	-	415,162	7,515,808	-	-
-	-	415,162	7,515,808	-	-
<u>205,583</u>	<u>10,342</u>	<u>475,120</u>	<u>8,040,348</u>	<u>127,453</u>	<u>9,725</u>
128,060	473	269,129	2,000,845	-	24,343
88,086	12,325	8,489	243,059	5,106	30,589
139,057	32,846	17,185	(28,798)	(66,808)	51,036
<u>355,203</u>	<u>45,644</u>	<u>294,803</u>	<u>2,215,106</u>	<u>(61,702)</u>	<u>105,968</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF NET POSITION - Discretely Presented Component Units (Continued)
June 30, 2014

	The Masters Program	McCurdy Charter School	Media Arts Collaborative Charter School
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 521,383	300	354,613
Receivables			
Due From Other Governments	43,441	212,252	101,946
Other Receivables	-	-	-
Deposits	-	-	-
Prepaid Expenditures	-	-	21,448
Other	986	-	-
TOTAL CURRENT ASSETS	565,810	212,552	478,007
NON-CURRENT ASSETS:			
Capital Assets			
Land and Land Improvements	-	-	410,000
Construction-in-Process	-	-	-
Building and Improvements	-	-	1,581,533
Leasehold Improvements	-	-	-
Software	-	-	-
Vehicles	-	-	-
Furniture, Fixtures, and Equipment	173,100	-	66,642
Playground Equipment	-	-	-
Less: Accumulated Depreciation	(69,240)	-	(269,116)
TOTAL NONCURRENT ASSETS	103,860	-	1,789,059
TOTAL ASSETS	669,670	212,552	2,267,066
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	2,557	159,701	13,053
Cash Overdraft	-	93,286	-
Accrued Liabilities	71,649	60,839	92,664
Accrued Interest	-	-	-
Unearned Revenue	-	-	-
Compensated Absences	-	-	-
Due to Other Governments	-	112,402	-
Current Portion of Long-Term Debt	-	-	114,682
TOTAL CURRENT LIABILITIES	74,206	426,228	220,399
NON CURRENT LIABILITIES			
Long Term Debt	-	-	987,592
TOTAL NONCURRENT LIABILITIES	-	-	987,592
TOTAL LIABILITIES	74,206	426,228	1,207,991
NET POSITION			
Net Investment in Capital Assets	103,860	-	686,785
Restricted	17,851	(315,525)	87,392
Unrestricted (Deficit)	473,753	101,849	284,898
TOTAL NET POSITION (DEFICIT)	\$ 595,464	(213,676)	1,059,075

<u>Mission Achievement and Success</u>	<u>Montessori Elementary School</u>	<u>New American School</u>	<u>New America School of Las Cruces</u>	<u>New Mexico Connections Academy</u>	<u>New Mexico International School</u>
373,028	402,747	594,879	702,907	343,338	118,435
143,018	9,748	172,161	59,362	48,566	2,704
-	-	-	-	-	-
-	-	-	-	-	-
11,251	-	-	-	-	19,755
-	-	-	-	-	-
<u>527,297</u>	<u>412,495</u>	<u>767,040</u>	<u>762,269</u>	<u>391,904</u>	<u>140,894</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	483,997	2,687,557	45,716	-	-
-	-	-	-	-	25,193
-	-	-	-	-	-
-	-	32,593	39,604	-	-
-	22,353	68,000	5,191	-	7,458
-	-	-	-	-	-
-	(75,744)	(435,544)	(14,749)	-	(6,519)
-	430,606	2,352,606	75,762	-	26,132
<u>527,297</u>	<u>843,101</u>	<u>3,119,646</u>	<u>838,031</u>	<u>391,904</u>	<u>167,026</u>
1,215	2,445	9,280	10,841	4,990	29,653
-	-	-	-	-	-
149,160	-	120,443	136,139	252,382	155,579
-	102,890	-	-	-	-
-	-	-	-	-	-
14,698	-	-	-	-	5,603
-	-	-	-	-	-
-	-	167,705	-	-	-
<u>165,073</u>	<u>105,335</u>	<u>297,428</u>	<u>146,980</u>	<u>257,372</u>	<u>190,835</u>
-	-	2,191,331	-	-	-
-	-	2,191,331	-	-	-
<u>165,073</u>	<u>105,335</u>	<u>2,488,759</u>	<u>146,980</u>	<u>257,372</u>	<u>190,835</u>
-	430,606	-	75,762	-	26,132
28,982	291,781	165,212	25,478	25,723	31,940
333,242	15,379	465,675	589,811	108,809	(81,881)
<u>362,224</u>	<u>737,766</u>	<u>630,887</u>	<u>691,051</u>	<u>134,532</u>	<u>(23,809)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF NET POSITION - Discretely Presented Component Units (Continued)
June 30, 2014

	New Mexico School for the Arts	North Valley Academy	Ralph J. Bunche Academy
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 593,674	603,233	29,728
Receivables			
Due From Other Governments	71,604	349,492	238,563
Other Receivables	4,864	-	-
Deposits	12,704	-	-
Prepaid Expenditures	15,955	-	-
Other	-	-	3,229
TOTAL CURRENT ASSETS	698,801	952,725	271,520
NON-CURRENT ASSETS:			
Capital Assets			
Land and Land Improvements	-	-	-
Construction-in-Process	-	-	-
Building and Improvements	-	91,474	-
Leasehold Improvements	-	-	-
Software	-	-	-
Vehicles	-	-	-
Furniture, Fixtures, and Equipment	138,343	9,911	88,405
Playground Equipment	-	-	-
Less: Accumulated Depreciation	(59,523)	(93,918)	(33,439)
TOTAL NONCURRENT ASSETS	78,820	7,467	54,966
TOTAL ASSETS	777,621	960,192	326,486
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	3,518	10,870	67,287
Cash Overdraft	-	-	-
Accrued Liabilities	129,049	245,784	16,106
Accrued Interest	-	-	-
Unearned Revenue	-	-	-
Compensated Absences	-	2,787	19,670
Due to Other Governments	-	-	161,685
Current Portion of Long-Term Debt	-	-	-
TOTAL CURRENT LIABILITIES	132,567	259,441	264,748
NON CURRENT LIABILITIES			
Long Term Debt	-	-	-
TOTAL NONCURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	132,567	259,441	264,748
NET POSITION			
Net Investment in Capital Assets	78,820	7,467	54,966
Restricted	268,115	135,820	33,843
Unrestricted (Deficit)	298,119	557,464	(27,071)
TOTAL NET POSITION (DEFICIT)	\$ 645,054	700,751	61,738

<u>Red River Valley Charter School</u>	<u>Sage Montessori Charter School</u>	<u>School of Dreams Academy</u>	<u>South Valley Preparatory School</u>	<u>Southwest Aeronautics, Mathematics, and Science Academy</u>	<u>Southwest Intermediate Learning Center</u>
99,861	129,629	652,280	210,087	641,935	368,020
41,388	118,025	56,441	59,481	-	-
-	-	-	-	-	-
-	33,000	-	25,125	-	-
-	-	-	-	-	-
-	-	850	-	-	-
<u>141,249</u>	<u>280,654</u>	<u>709,571</u>	<u>294,693</u>	<u>641,935</u>	<u>368,020</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	14,151
79,052	-	-	-	-	-
-	-	-	-	-	-
-	-	215,719	-	-	-
206,215	23,261	247,807	6,344	286,257	155,776
-	-	-	-	-	-
<u>(250,326)</u>	<u>(7,246)</u>	<u>(249,875)</u>	<u>(5,287)</u>	<u>(78,070)</u>	<u>(157,863)</u>
<u>34,941</u>	<u>16,015</u>	<u>213,651</u>	<u>1,057</u>	<u>208,187</u>	<u>12,064</u>
<u>176,190</u>	<u>296,669</u>	<u>923,222</u>	<u>295,750</u>	<u>850,122</u>	<u>380,084</u>
2,487	17,447	3,715	3,998	-	-
-	-	-	-	-	-
4,144	63,942	-	85,537	102	73
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,110	-	-	15,410
5,938	-	-	-	-	-
-	-	-	-	115,020	-
<u>12,569</u>	<u>81,389</u>	<u>9,825</u>	<u>89,535</u>	<u>115,122</u>	<u>15,483</u>
-	-	18,331	-	87,110	-
-	-	18,331	-	87,110	-
<u>12,569</u>	<u>81,389</u>	<u>28,156</u>	<u>89,535</u>	<u>202,232</u>	<u>15,483</u>
34,941	16,015	213,651	1,057	6,057	12,064
49,176	91,468	396,260	86,678	198,757	281,543
79,504	107,797	285,155	118,480	443,076	70,994
<u>163,621</u>	<u>215,280</u>	<u>895,066</u>	<u>206,215</u>	<u>647,890</u>	<u>364,601</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF NET POSITION - Discretely Presented Component Units (Continued)
June 30, 2014

	Southwest Primary Learning Center	Southwest Secondary Learning Center	Taos Academy
ASSETS			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 429,303	953,282	463,658
Receivables			
Due From Other Governments	-	-	113,741
Other Receivables	-	-	-
Deposits	-	-	-
Prepaid Expenditures	-	-	9,045
Other	-	-	-
TOTAL CURRENT ASSETS	429,303	953,282	586,444
NON-CURRENT ASSETS:			
Capital Assets			
Land and Land Improvements	-	-	-
Construction-in-Process	-	-	12,350
Building and Improvements	16,336	42,662	514,613
Leasehold Improvements	-	-	-
Software	-	-	-
Vehicles	-	46,356	-
Furniture, Fixtures, and Equipment	219,996	977,932	37,474
Playground Equipment	-	-	-
Less: Accumulated Depreciation	(157,760)	(1,009,930)	(51,126)
TOTAL NONCURRENT ASSETS	78,572	57,020	513,311
TOTAL ASSETS	507,875	1,010,302	1,099,755
LIABILITIES			
CURRENT LIABILITIES:			
Accounts Payable	-	584	-
Cash Overdraft	-	-	-
Accrued Liabilities	85	111	111,495
Accrued Interest	-	-	-
Unearned Revenue	-	-	6,780
Compensated Absences	15,363	18,894	-
Due to Other Governments	-	-	-
Current Portion of Long-Term Debt	-	-	-
TOTAL CURRENT LIABILITIES	15,448	19,589	118,275
NON CURRENT LIABILITIES			
Long Term Debt	-	-	-
TOTAL NONCURRENT LIABILITIES	-	-	-
TOTAL LIABILITIES	15,448	19,589	118,275
NET POSITION			
Net Investment in Capital Assets	78,572	57,020	513,311
Restricted	272,501	754,120	69,695
Unrestricted (Deficit)	141,354	179,573	398,474
TOTAL NET POSITION (DEFICIT)	\$ 492,427	990,713	981,480

<u>Taos Integrated School of Arts</u>	<u>The Learning Community Charter School</u>	<u>Tierra Adentro</u>	<u>Uplift Community School</u>	<u>Village Academy</u>	<u>Walatowa High Charter School</u>
617,139	707,074	235,623	223,535	-	650,204
82,258	47,829	187,337	119,156	-	146,718
-	-	-	-	-	-
6,000	-	11,428	-	-	-
-	-	-	-	-	14,939
-	-	-	-	-	-
<u>705,397</u>	<u>754,903</u>	<u>434,388</u>	<u>342,691</u>	<u>-</u>	<u>811,861</u>
-	290,000	-	-	-	-
-	-	-	-	-	-
-	1,435,160	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
93,443	-	61,558	18,835	-	8,755
-	-	-	42,128	-	-
<u>(10,245)</u>	<u>(422,575)</u>	<u>(30,116)</u>	<u>(8,668)</u>	<u>-</u>	<u>(6,742)</u>
<u>83,198</u>	<u>1,302,585</u>	<u>31,442</u>	<u>52,295</u>	<u>-</u>	<u>2,013</u>
<u>788,595</u>	<u>2,057,488</u>	<u>465,830</u>	<u>394,986</u>	<u>-</u>	<u>813,874</u>
-	10,979	-	111,368	-	205
-	-	-	-	-	-
48,364	6,925	153,667	104,817	-	1,889
-	-	-	-	-	-
-	750	-	-	-	-
-	-	-	-	-	27,058
-	-	-	-	-	-
-	1,294,059	-	-	-	-
<u>48,364</u>	<u>1,312,713</u>	<u>153,667</u>	<u>216,185</u>	<u>-</u>	<u>29,152</u>
-	-	-	-	-	-
-	-	-	-	-	-
<u>48,364</u>	<u>1,312,713</u>	<u>153,667</u>	<u>216,185</u>	<u>-</u>	<u>29,152</u>
83,198	8,526	31,442	52,295	-	2,013
111,402	340,593	29,297	53,906	-	128,743
545,631	395,656	251,424	72,600	-	653,966
<u>740,231</u>	<u>744,775</u>	<u>312,163</u>	<u>178,801</u>	<u>-</u>	<u>784,722</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF NET POSITION - Discretely Presented Component Units (Continued)
June 30, 2014

	William W. & Josephine Dorn Charter Community School	Total Charter Schools
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 72,788	24,194,596
Receivables		
Due From Other Governments	18,934	5,053,728
Other Receivables	-	79,879
Deposits	-	140,995
Prepaid Expenditures	-	813,646
Other	-	130,398
TOTAL CURRENT ASSETS	91,722	30,413,242
NON-CURRENT ASSETS:		
Capital Assets		
Land and Land Improvements	-	7,507,471
Construction-in-Process	-	612,122
Building and Improvements	-	37,462,402
Leasehold Improvements	-	828,142
Software	-	28,228
Vehicles	-	543,445
Furniture, Fixtures, and Equipment	27,125	5,591,861
Playground Equipment	-	42,128
Less: Accumulated Depreciation	(10,850)	(8,221,166)
TOTAL NONCURRENT ASSETS	16,275	44,394,633
TOTAL ASSETS	107,997	74,807,875
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable	2,739	1,400,398
Cash Overdraft	-	222,452
Accrued Liabilities	29,457	4,246,075
Accrued Interest	-	235,090
Unearned Revenue	-	771,248
Compensated Absences	-	246,474
Due to Other Governments	-	305,990
Current Portion of Long-Term Debt	-	2,426,909
TOTAL CURRENT LIABILITIES	32,196	9,854,636
NON CURRENT LIABILITIES		
Long Term Debt	-	31,394,354
TOTAL NONCURRENT LIABILITIES	-	31,394,354
TOTAL LIABILITIES	32,196	41,248,990
NET POSITION		
Net Investment in Capital Assets	16,275	11,373,149
Restricted	3,950	8,042,093
Unrestricted (Deficit)	55,576	14,143,643
TOTAL NET POSITION (DEFICIT)	\$ 75,801	33,558,885

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2014

	Academy of Trade and Technology	ACE Leadership High School	AIMS at UNM
INSTRUCTION			
Expenses	\$ (525,580)	(1,193,198)	(1,422,848)
Program Revenues:			
Charges for Services	541	4,355	1,709
Operating Grants and Contributions	87,386	120,724	76,170
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(437,653)</u>	<u>(1,068,119)</u>	<u>(1,344,969)</u>
SUPPORT SERVICES			
Expenses	(1,069,276)	(1,630,225)	(914,371)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	165,808	558,137	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(903,468)</u>	<u>(1,072,088)</u>	<u>(914,371)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(356,321)	(430,509)	(236,557)
Program Revenues:			
Charges for Services	4	1,650	-
Operating Grants and Contributions	34,572	65,366	-
Capital Grants and Contributions	89,080	211,256	419,488
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(232,665)</u>	<u>(152,237)</u>	<u>182,931</u>
Interest on Long-Term Debt	-	(2,000)	-
Total Net (Expense) Over Revenue - All Functions	<u>(1,573,786)</u>	<u>(2,294,444)</u>	<u>(2,076,409)</u>
GENERAL REVENUES			
State Equalization Guarantee	1,343,824	2,580,286	2,567,547
State Appropriations	-	-	-
Property Taxes	82,689	77,491	-
Loss on Disposal of Assets	-	-	-
Miscellaneous	189,665	164,372	-
Total General Revenues	<u>1,616,178</u>	<u>2,822,149</u>	<u>2,567,547</u>
Change in Net Position	<u>42,392</u>	<u>527,705</u>	<u>491,138</u>
Net Position, Beginning	1,053,726	1,063,871	919,507
Restatement	(189,416)	-	444,244
Net Position, Beginning as Restated	<u>864,310</u>	<u>1,063,871</u>	<u>1,363,751</u>
Net Position, Ending	<u>\$ 906,702</u>	<u>1,591,576</u>	<u>1,854,889</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Albuquerque School of Excellence</u>	<u>Albuquerque Sign Language Academy</u>	<u>Aldo Leopold High School</u>	<u>Alma d'arte Charter High School</u>	<u>Amy Biehl Charter School</u>	<u>Anthony Charter School</u>
(1,217,854)	(744,863)	(773,539)	(1,254,953)	(1,601,765)	(368,822)
370	376	25,008	3,788	19,430	220
249,363	320,073	91,568	129,182	302,725	40,980
-	-	-	-	-	-
<u>(968,121)</u>	<u>(424,414)</u>	<u>(656,963)</u>	<u>(1,121,983)</u>	<u>(1,279,610)</u>	<u>(327,622)</u>
(933,089)	(1,055,702)	(747,927)	(755,499)	(1,502,140)	(433,749)
-	-	-	-	-	-
-	226,180	94,606	-	-	-
-	-	-	-	-	-
<u>(933,089)</u>	<u>(829,522)</u>	<u>(653,321)</u>	<u>(755,499)</u>	<u>(1,502,140)</u>	<u>(433,749)</u>
(289,397)	(111,949)	(116,926)	(231,434)	(260,043)	(43,982)
8,932	6,736	-	25,360	5,489	-
43,366	27,833	14,030	-	27,964	17,350
227,535	71,608	60,676	147,985	11,503	102,033
<u>(9,564)</u>	<u>(5,772)</u>	<u>(42,220)</u>	<u>(58,089)</u>	<u>(215,087)</u>	<u>75,401</u>
-	-	-	-	-	-
<u>(1,910,774)</u>	<u>(1,259,708)</u>	<u>(1,352,504)</u>	<u>(1,935,571)</u>	<u>(2,996,837)</u>	<u>(685,970)</u>
2,003,723	1,355,567	1,779,539	1,739,302	2,725,172	790,003
-	-	-	-	-	-
-	-	33,865	-	253,735	6,214
-	-	-	-	-	-
14,433	-	14,987	76,201	151,866	-
<u>2,018,156</u>	<u>1,355,567</u>	<u>1,828,391</u>	<u>1,815,503</u>	<u>3,130,773</u>	<u>796,217</u>
107,382	95,859	475,887	(120,068)	133,936	110,247
189,933	311,656	311,427	106,111	3,901,722	-
-	-	-	-	234,015	947,442
<u>189,933</u>	<u>311,656</u>	<u>311,427</u>	<u>106,111</u>	<u>4,135,737</u>	<u>947,442</u>
<u>297,315</u>	<u>407,515</u>	<u>787,314</u>	<u>(13,957)</u>	<u>4,269,673</u>	<u>1,057,689</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2014

	ASK Academy	Cesar Chavez Community School	Cien Aguas International School
INSTRUCTION			
Expenses	\$ (1,197,187)	(1,160,362)	(1,528,430)
Program Revenues:			
Charges for Services	17,780	-	57,587
Operating Grants and Contributions	58,750	203,025	160,478
Capital Grants and Contributions	3,251	-	-
Net (Expense) Over Revenue - Instruction	<u>(1,117,406)</u>	<u>(957,337)</u>	<u>(1,310,365)</u>
SUPPORT SERVICES			
Expenses	(1,140,909)	(911,748)	(843,240)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	65,598
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(1,140,909)</u>	<u>(911,748)</u>	<u>(777,642)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(122,092)	(248,258)	(420,153)
Program Revenues:			
Charges for Services	-	-	18,640
Operating Grants and Contributions	-	35,750	51,171
Capital Grants and Contributions	121,230	238,720	409,750
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>(862)</u>	<u>26,212</u>	<u>59,408</u>
Interest on Long-Term Debt	-	-	-
Total Net (Expense) Over Revenue - All Functions	<u>(2,259,177)</u>	<u>(1,842,873)</u>	<u>(2,028,599)</u>
GENERAL REVENUES			
State Equalization Guarantee	2,410,333	1,921,940	2,291,024
State Appropriations	-	-	-
Property Taxes	-	-	-
Loss on Disposal of Assets	-	-	-
Miscellaneous	417	4,638	22,762
Total General Revenues	<u>2,410,750</u>	<u>1,926,578</u>	<u>2,313,786</u>
Change in Net Position	<u>151,573</u>	<u>83,705</u>	<u>285,187</u>
Net Position, Beginning	231,269	968,748	138,134
Restatement	-	(506,175)	258,993
Net Position, Beginning as Restated	<u>231,269</u>	<u>462,573</u>	<u>397,127</u>
Net Position, Ending	<u>\$ 382,842</u>	<u>546,278</u>	<u>682,314</u>

See Independent Auditors Report and Notes to Financial Statements

<u>Coral Community Charter</u>	<u>Cottonwood Classical Preparatory School</u>	<u>Creative Education Preparatory Institute #1</u>	<u>East Mountain High School</u>	<u>Estancia Valley Classical Academy</u>	<u>Gilbert L Sena Charter High School</u>
(577,271)	(2,574,053)	(965,503)	(1,932,592)	(1,528,468)	(1,251,048)
-	22,254	5,296	146,180	-	-
257,912	520,910	68,858	439,942	226,730	136,134
-	-	-	-	-	-
<u>(319,359)</u>	<u>(2,030,889)</u>	<u>(891,349)</u>	<u>(1,346,470)</u>	<u>(1,301,738)</u>	<u>(1,114,914)</u>
(483,326)	(1,599,318)	(870,741)	(1,136,892)	(926,285)	(866,024)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(483,326)</u>	<u>(1,599,318)</u>	<u>(870,741)</u>	<u>(1,136,892)</u>	<u>(926,285)</u>	<u>(866,024)</u>
(51,522)	(516,691)	(143,650)	(1,184,447)	(428,347)	(67,699)
2,384	-	-	-	-	-
-	-	-	-	-	-
<u>47,392</u>	<u>874,682</u>	<u>160,353</u>	<u>509,774</u>	<u>208,976</u>	<u>130,782</u>
<u>(1,746)</u>	<u>357,991</u>	<u>16,703</u>	<u>(674,673)</u>	<u>(219,371)</u>	<u>63,083</u>
-	-	-	-	(15,899)	-
<u>(804,431)</u>	<u>(3,272,216)</u>	<u>(1,745,387)</u>	<u>(3,158,035)</u>	<u>(2,463,293)</u>	<u>(1,917,855)</u>
932,465	3,506,341	1,860,939	2,451,821	2,319,409	1,768,917
-	-	-	-	117,095	-
-	-	-	311,276	-	48,248
-	-	-	-	-	-
<u>833</u>	<u>-</u>	<u>1,400</u>	<u>593,492</u>	<u>73,896</u>	<u>-</u>
<u>933,298</u>	<u>3,506,341</u>	<u>1,862,339</u>	<u>3,356,589</u>	<u>2,510,400</u>	<u>1,817,165</u>
<u>128,867</u>	<u>234,125</u>	<u>116,952</u>	<u>198,554</u>	<u>47,107</u>	<u>(100,690)</u>
103,315	(355,246)	3,047	3,284,804	354,466	511,733
-	<u>(325,662)</u>	-	103,305	56,026	-
103,315	(680,908)	3,047	3,388,109	410,492	511,733
<u>232,182</u>	<u>(446,783)</u>	<u>119,999</u>	<u>3,586,663</u>	<u>457,599</u>	<u>411,043</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2014

	GREAT Academy	Health Leadership High School	Horizon Academy West
INSTRUCTION			
Expenses	\$ (727,777)	(430,581)	(1,919,159)
Program Revenues:			
Charges for Services	100	1,876	93,345
Operating Grants and Contributions	93,752	250,348	397,538
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(633,925)</u>	<u>(178,357)</u>	<u>(1,428,276)</u>
SUPPORT SERVICES			
Expenses	(1,387,668)	(651,383)	(1,030,580)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(1,387,668)</u>	<u>(651,383)</u>	<u>(1,030,580)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(10,074)	(221,576)	(400,849)
Program Revenues:			
Charges for Services	-	51	21,062
Operating Grants and Contributions	-	12,838	214,899
Capital Grants and Contributions	128,366	213,840	453,729
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>118,292</u>	<u>5,153</u>	<u>288,841</u>
Interest on Long-Term Debt	-	-	(396,600)
Total Net (Expense) Over Revenue - All Functions	<u>(1,903,301)</u>	<u>(824,587)</u>	<u>(2,566,615)</u>
GENERAL REVENUES			
State Equalization Guarantee	1,584,615	873,787	2,581,334
State Appropriations	-	-	-
Property Taxes	-	-	-
Loss on Disposal of Assets	-	-	-
Miscellaneous	7,319	-	12,815
Total General Revenues	<u>1,591,934</u>	<u>873,787</u>	<u>2,594,149</u>
Change in Net Position	<u>(311,367)</u>	<u>49,200</u>	<u>27,534</u>
Net Position, Beginning	990,271	-	(457,471)
Restatement	-	-	-
Net Position, Beginning as Restated	<u>990,271</u>	<u>-</u>	<u>(457,471)</u>
Net Position, Ending	<u>\$ 678,904</u>	<u>49,200</u>	<u>(429,937)</u>

See Independent Auditors Report and Notes to Financial Statements

International School at Mesa del Sol	J. Paul Taylor Academy	La Jicarita Community School	La Promesa Early Learning Center	La Resolana Leadership Academy	La Tierra Montessori School of the Arts and Sciences
(1,391,014)	(918,626)	(318,117)	(2,340,783)	(343,783)	(387,764)
-	20,366	-	142,262	-	-
248,936	115,985	188,669	820,298	65,381	89,370
-	-	-	664,529	-	33,822
<u>(1,142,078)</u>	<u>(782,275)</u>	<u>(129,448)</u>	<u>(713,694)</u>	<u>(278,402)</u>	<u>(264,572)</u>
(666,434)	(457,800)	(300,887)	(1,405,479)	(479,312)	(417,499)
165	-	-	-	-	-
35,139	-	-	-	-	-
-	-	213,140	-	-	-
<u>(631,130)</u>	<u>(457,800)</u>	<u>(87,747)</u>	<u>(1,405,479)</u>	<u>(479,312)</u>	<u>(417,499)</u>
(283,002)	(246,143)	-	(1,682,704)	(115,419)	(49,096)
18,035	26,142	-	11,282	404	-
51,741	30,259	-	309,209	40,964	-
211,032	138,859	-	-	57,774	-
<u>(2,194)</u>	<u>(50,883)</u>	<u>-</u>	<u>(1,362,213)</u>	<u>(16,277)</u>	<u>(49,096)</u>
-	-	(28,411)	-	-	-
<u>(1,775,402)</u>	<u>(1,290,958)</u>	<u>(245,606)</u>	<u>(3,481,386)</u>	<u>(773,991)</u>	<u>(731,167)</u>
1,798,978	1,177,217	348,871	2,595,270	703,802	646,251
-	-	-	-	-	-
72,081	-	-	258,083	-	-
-	-	-	-	-	-
-	-	9,712	506,487	-	119
<u>1,871,059</u>	<u>1,177,217</u>	<u>358,583</u>	<u>3,359,840</u>	<u>703,802</u>	<u>646,370</u>
<u>95,657</u>	<u>(113,741)</u>	<u>112,977</u>	<u>(121,546)</u>	<u>(70,189)</u>	<u>(84,797)</u>
259,546	159,385	181,826	2,192,256	8,487	190,765
-	-	-	144,396	-	-
<u>259,546</u>	<u>159,385</u>	<u>181,826</u>	<u>2,336,652</u>	<u>8,487</u>	<u>190,765</u>
<u>355,203</u>	<u>45,644</u>	<u>294,803</u>	<u>2,215,106</u>	<u>(61,702)</u>	<u>105,968</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2014

	The Masters Program	McCurdy Charter School	Media Arts Collaborative Charter School
INSTRUCTION			
Expenses	\$ (1,039,970)	(2,356,689)	(1,036,426)
Program Revenues:			
Charges for Services	1,290	-	10,463
Operating Grants and Contributions	78,836	707,618	193,173
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(959,844)</u>	<u>(1,649,071)</u>	<u>(832,790)</u>
SUPPORT SERVICES			
Expenses	(744,369)	(1,538,689)	(954,181)
Program Revenues:			
Charges for Services	-	39,490	4,986
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(744,369)</u>	<u>(1,499,199)</u>	<u>(949,195)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(96,982)	(613,394)	(91,979)
Program Revenues:			
Charges for Services	-	17,780	-
Operating Grants and Contributions	-	119,124	8,625
Capital Grants and Contributions	96,982	495,777	130,231
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>-</u>	<u>19,287</u>	<u>46,877</u>
Interest on Long-Term Debt	-	-	-
Total Net (Expense) Over Revenue - All Functions	<u>(1,704,213)</u>	<u>(3,128,983)</u>	<u>(1,735,108)</u>
GENERAL REVENUES			
State Equalization Guarantee	1,637,298	3,156,382	1,705,781
State Appropriations	-	-	-
Property Taxes	-	-	55,671
Loss on Disposal of Assets	-	-	-
Miscellaneous	-	190,942	-
Total General Revenues	<u>1,637,298</u>	<u>3,347,324</u>	<u>1,761,452</u>
Change in Net Position	<u>(66,915)</u>	<u>218,341</u>	<u>26,344</u>
Net Position, Beginning	662,379	(299,131)	1,032,731
Restatement	-	(132,886)	-
Net Position, Beginning as Restated	<u>662,379</u>	<u>(432,017)</u>	<u>1,032,731</u>
Net Position, Ending	<u>\$ 595,464</u>	<u>(213,676)</u>	<u>1,059,075</u>

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Mission Achievement and Success	Montessori Elementary School	New American School	New America School of Las Cruces	New Mexico Connections Academy	New Mexico International School
(1,743,434)	(1,439,442)	(953,650)	(845,972)	(2,073,213)	(807,275)
-	230,000	1,171	100	-	-
369,883	140,350	178,932	73,168	237,305	32,248
-	-	-	-	-	-
<u>(1,373,551)</u>	<u>(1,069,092)</u>	<u>(773,547)</u>	<u>(772,704)</u>	<u>(1,835,908)</u>	<u>(775,027)</u>
(994,193)	(957,659)	(1,607,478)	(1,462,962)	(703,358)	(647,166)
-	-	-	-	-	-
-	-	-	15,805	-	-
-	-	116,908	-	-	-
<u>(994,193)</u>	<u>(957,659)</u>	<u>(1,490,570)</u>	<u>(1,447,157)</u>	<u>(703,358)</u>	<u>(647,166)</u>
(260,345)	(400,383)	(409,542)	(202,646)	-	(96,194)
290	-	466	362	-	-
-	-	73,959	22,399	-	-
80,285	279,331	318,546	170,189	-	96,194
<u>(179,770)</u>	<u>(121,052)</u>	<u>(16,571)</u>	<u>(9,696)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>(2,547,514)</u>	<u>(2,147,803)</u>	<u>(2,280,688)</u>	<u>(2,229,557)</u>	<u>(2,539,266)</u>	<u>(1,422,193)</u>
2,891,722	1,948,996	2,270,978	2,346,839	2,673,798	1,267,911
-	-	-	-	-	-
-	350,711	-	-	-	-
-	-	-	-	-	-
-	-	76,306	105	-	16,984
<u>2,891,722</u>	<u>2,299,707</u>	<u>2,347,284</u>	<u>2,346,944</u>	<u>2,673,798</u>	<u>1,284,895</u>
<u>344,208</u>	<u>151,904</u>	<u>66,596</u>	<u>117,387</u>	<u>134,532</u>	<u>(137,298)</u>
18,016	2,401,191	564,291	573,664	-	113,489
-	(1,815,329)	-	-	-	-
<u>18,016</u>	<u>585,862</u>	<u>564,291</u>	<u>573,664</u>	<u>-</u>	<u>113,489</u>
<u>362,224</u>	<u>737,766</u>	<u>630,887</u>	<u>691,051</u>	<u>134,532</u>	<u>(23,809)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2014

	New Mexico School for the Arts	North Valley Academy	Ralph J. Bunche Academy
INSTRUCTION			
Expenses	\$ (1,020,994)	(1,886,208)	(443,243)
Program Revenues:			
Charges for Services	7,998	1,197	-
Operating Grants and Contributions	181,359	467,388	150,149
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Instruction	<u>(831,637)</u>	<u>(1,417,623)</u>	<u>(293,094)</u>
SUPPORT SERVICES			
Expenses	(936,842)	(1,136,699)	(454,901)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	-	-	-
Net (Expense) Over Revenue - Support Services	<u>(936,842)</u>	<u>(1,136,699)</u>	<u>(454,901)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(255,557)	(539,882)	(126,449)
Program Revenues:			
Charges for Services	20,735	41,613	4,200
Operating Grants and Contributions	14,967	144,701	55,869
Capital Grants and Contributions	399,797	377,425	62,873
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>179,942</u>	<u>23,857</u>	<u>(3,507)</u>
Interest on Long-Term Debt	-	-	-
Total Net (Expense) Over Revenue - All Functions	<u>(1,588,537)</u>	<u>(2,530,465)</u>	<u>(751,502)</u>
GENERAL REVENUES			
State Equalization Guarantee	1,786,232	2,765,397	750,372
State Appropriations	-	-	24,770
Property Taxes	-	-	-
Loss on Disposal of Assets	-	-	-
Miscellaneous	1,245	66,250	8,389
Total General Revenues	<u>1,787,477</u>	<u>2,831,647</u>	<u>783,531</u>
Change in Net Position	<u>198,940</u>	<u>301,182</u>	<u>32,029</u>
Net Position, Beginning	446,114	399,569	29,709
Restatement	-	-	-
Net Position, Beginning as Restated	<u>446,114</u>	<u>399,569</u>	<u>29,709</u>
Net Position, Ending	<u>\$ 645,054</u>	<u>700,751</u>	<u>61,738</u>

See Independent Auditors Report and Notes to Financial Statements

Red River Valley Charter School	Sage Montessori Charter School	School of Dreams Academy	South Valley Preparatory School	Southwest Aeronautics, Mathematics, and Science Academy	Southwest Intermediate Learning Center
(411,221)	(829,935)	(1,561,137)	(764,651)	(1,195,719)	(480,566)
4,871	775	-	-	-	-
76,883	163,572	239,038	138,075	243,466	29,499
-	-	-	-	-	-
<u>(329,467)</u>	<u>(665,588)</u>	<u>(1,322,099)</u>	<u>(626,576)</u>	<u>(952,253)</u>	<u>(451,067)</u>
(304,734)	(588,543)	(1,448,005)	(464,764)	(949,774)	(473,470)
-	-	-	-	-	-
36,141	-	-	-	-	-
-	-	-	-	-	-
<u>(268,593)</u>	<u>(588,543)</u>	<u>(1,448,005)</u>	<u>(464,764)</u>	<u>(949,774)</u>	<u>(473,470)</u>
(76,247)	(104,333)	(234,514)	(167,227)	(470,289)	(263,244)
-	-	-	5,048	-	-
-	-	-	72,865	-	-
54,314	104,333	477,097	91,363	497,279	341,967
<u>(21,933)</u>	<u>-</u>	<u>242,583</u>	<u>2,049</u>	<u>26,990</u>	<u>78,723</u>
-	-	-	-	-	-
<u>(619,993)</u>	<u>(1,254,131)</u>	<u>(2,527,521)</u>	<u>(1,089,291)</u>	<u>(1,875,037)</u>	<u>(845,814)</u>
665,499	1,376,264	2,781,046	1,064,330	1,993,958	853,886
-	-	-	-	-	-
-	-	-	41,513	-	-
-	-	-	-	-	-
-	-	5,655	-	-	-
<u>665,499</u>	<u>1,376,264</u>	<u>2,786,701</u>	<u>1,105,843</u>	<u>1,993,958</u>	<u>853,886</u>
<u>45,506</u>	<u>122,133</u>	<u>259,180</u>	<u>16,552</u>	<u>118,921</u>	<u>8,072</u>
118,115	93,147	580,008	189,663	528,969	356,529
-	-	55,878	-	-	-
<u>118,115</u>	<u>93,147</u>	<u>635,886</u>	<u>189,663</u>	<u>528,969</u>	<u>356,529</u>
<u>163,621</u>	<u>215,280</u>	<u>895,066</u>	<u>206,215</u>	<u>647,890</u>	<u>364,601</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2014

	Southwest Primary Learning Center	Southwest Secondary Learning Center	Taos Academy
INSTRUCTION			
Expenses	\$ (530,085)	(1,325,640)	(1,054,661)
Program Revenues:			
Charges for Services	1,440	10,756	-
Operating Grants and Contributions	27,773	71,488	119,451
Capital Grants and Contributions	7,651	6,847	-
Net (Expense) Over Revenue - Instruction	<u>(493,221)</u>	<u>(1,236,549)</u>	<u>(935,210)</u>
SUPPORT SERVICES			
Expenses	(450,931)	(1,243,133)	(892,068)
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	49,869	-
Capital Grants and Contributions	-	-	281,254
Net (Expense) Over Revenue - Support Services	<u>(450,931)</u>	<u>(1,193,264)</u>	<u>(610,814)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES			
Expenses	(117,695)	(307,186)	-
Program Revenues:			
Charges for Services	-	-	-
Operating Grants and Contributions	-	-	-
Capital Grants and Contributions	329,464	966,928	-
Net (Expense) Over Revenue - Operation of Non-Instructional Services	<u>211,769</u>	<u>659,742</u>	<u>-</u>
Interest on Long-Term Debt	-	-	-
Total Net (Expense) Over Revenue - All Functions	<u>(732,383)</u>	<u>(1,770,071)</u>	<u>(1,546,024)</u>
GENERAL REVENUES			
State Equalization Guarantee	866,581	2,249,329	1,740,971
State Appropriations	-	-	-
Property Taxes	-	-	-
Loss on Disposal of Assets	-	-	-
Miscellaneous	2,605	32,330	142
Total General Revenues	<u>869,186</u>	<u>2,281,659</u>	<u>1,741,113</u>
Change in Net Position	<u>136,803</u>	<u>511,588</u>	<u>195,089</u>
Net Position, Beginning Restatement	355,624	479,125	786,391
	-	-	-
Net Position, Beginning as Restated	<u>355,624</u>	<u>479,125</u>	<u>786,391</u>
Net Position, Ending	<u>\$ 492,427</u>	<u>990,713</u>	<u>981,480</u>

See Independent Auditors Report and Notes to Financial Statements

Taos Integrated School of Arts	The Learning Community Charter School	Tierra Adentro	Uplift Community School	Village Academy	Walatowa High Charter School
(613,301)	(878,643)	(1,298,920)	(882,432)	(25)	(547,864)
7,142	-	1,199	-	-	-
100,148	229,331	192,879	132,648	-	272,678
-	-	-	-	-	-
<u>(506,011)</u>	<u>(649,312)</u>	<u>(1,104,842)</u>	<u>(749,784)</u>	<u>(25)</u>	<u>(275,186)</u>
(496,018)	(939,663)	(875,896)	(640,933)	(11,810)	(377,286)
-	-	-	-	-	-
-	-	52,436	56,232	-	-
-	-	-	-	-	-
<u>(496,018)</u>	<u>(939,663)</u>	<u>(823,460)</u>	<u>(584,701)</u>	<u>(11,810)</u>	<u>(377,286)</u>
(138,390)	(170,856)	(254,032)	(98,481)	-	(107,572)
-	-	22,079	15,669	-	-
-	-	54,098	36,544	-	24,500
212,849	237,706	177,855	82,874	-	46,201
74,459	66,850	-	36,606	-	(36,871)
-	(111,041)	-	-	-	-
<u>(927,570)</u>	<u>(1,633,166)</u>	<u>(1,928,302)</u>	<u>(1,297,879)</u>	<u>(11,835)</u>	<u>(689,343)</u>
1,205,927	1,741,734	2,068,689	1,352,126	-	806,270
-	-	-	-	-	-
-	-	-	-	-	-
-	(109,594)	-	-	-	-
-	-	-	-	7,649	137
<u>1,205,927</u>	<u>1,632,140</u>	<u>2,068,689</u>	<u>1,352,126</u>	<u>7,649</u>	<u>806,407</u>
278,357	(1,026)	140,387	54,247	(4,186)	117,064
461,874	575,441	171,776	124,554	4,186	667,658
-	170,360	-	-	-	-
461,874	745,801	171,776	124,554	4,186	667,658
740,231	744,775	312,163	178,801	-	784,722

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
DISCRETELY PRESENTED COMPONENT UNITS
For the Year Ended June 30, 2014

	William W. & Josephine Dorn Charter Community School	Total Charter Schools
INSTRUCTION		
Expenses	\$ (178,422)	(58,773,481)
Program Revenues:		
Charges for Services	-	841,245
Operating Grants and Contributions	51,588	10,657,949
Capital Grants and Contributions	-	716,100
Net (Expense) Over Revenue - Instruction	<u>(126,834)</u>	<u>(46,558,187)</u>
SUPPORT SERVICES		
Expenses	(247,164)	(47,160,192)
Program Revenues:		
Charges for Services	-	44,641
Operating Grants and Contributions	-	1,355,951
Capital Grants and Contributions	-	611,302
Net (Expense) Over Revenue - Support Services	<u>(247,164)</u>	<u>(45,148,298)</u>
OPERATION OF NON-INSTRUCTIONAL SERVICES		
Expenses	(7,769)	(13,920,202)
Program Revenues:		
Charges for Services	-	274,413
Operating Grants and Contributions	-	1,604,963
Capital Grants and Contributions	7,769	11,382,052
Net (Expense) Over Revenue - Operation of Non-Instruction Services	<u>-</u>	<u>(658,774)</u>
Interest on Long-Term Debt	-	(553,951)
Total Net (Expense) Over Revenue - All Functions	<u>(373,998)</u>	<u>(92,919,210)</u>
GENERAL REVENUES		
State Equalization Guarantee	415,834	95,042,427
State Appropriations	521	142,386
Property Taxes	-	1,591,577
Loss on Disposal of Assets	-	(109,594)
Miscellaneous	-	2,254,153
Total General Revenues	<u>416,355</u>	<u>98,920,949</u>
Change in Net Position	<u>42,357</u>	<u>6,001,739</u>
Net Position, Beginning Restatement	33,444	28,091,814
	-	(534,668)
Net Position, Beginning as Restated	<u>33,444</u>	<u>27,557,146</u>
Net Position, Ending	<u>\$ 75,801</u>	<u>33,558,885</u>

See Independent Auditors Report and Notes to Financial Statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES - AGENCY FUND
 June 30, 2014

	<u>Academy of Trade and Technology</u>	<u>ACE Leadership High School</u>	<u>AIMS at UNM</u>	<u>Albuquerque School of Excellence</u>
ASSETS				
Cash in Bank	\$ 7,775	2,547	16,205	19,564
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 7,775</u>	<u>2,547</u>	<u>16,205</u>	<u>19,564</u>
LIABILITIES				
Deposits Held for Others	\$ 7,775	2,547	16,205	19,564
Total Liabilities	<u>\$ 7,775</u>	<u>2,547</u>	<u>16,205</u>	<u>19,564</u>

<u>Albuquerque Sign Language Academy</u>	<u>Aldo Leopold High School</u>	<u>Alma d'arte Charter High School</u>	<u>Amy Biehl Charter School</u>	<u>Anthony Charter School</u>	<u>ASK Academy</u>
5,762	31,232	4,337	10,685	920	21,532
-	-	-	-	-	-
<u>5,762</u>	<u>31,232</u>	<u>4,337</u>	<u>10,685</u>	<u>920</u>	<u>21,532</u>
<u>5,762</u>	<u>31,232</u>	<u>4,337</u>	<u>10,685</u>	<u>920</u>	<u>21,532</u>
<u>5,762</u>	<u>31,232</u>	<u>4,337</u>	<u>10,685</u>	<u>920</u>	<u>21,532</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES - AGENCY FUND (CONTINUED)
 June 30, 2014

	Cesar Chavez Community School	Cien Aguas International School	Coral Community Charter	Cottonwood Classical Preparatory School
ASSETS				
Cash in Bank	\$ 6,112	-	-	16,657
Accounts Receivable	-	-	-	-
Total Assets	\$ 6,112	-	-	16,657
LIABILITIES				
Deposits Held for Others	\$ 6,112	-	-	16,657
Total Liabilities	\$ 6,112	-	-	16,657

Creative Education Preparatory Institute #1	East Mountain High School	Estancia Valley Classical Academy	Gilbert L Sena Charter High School	GREAT Academy	Health Leadership High School
7,473	19,522	1,971	21,043	1,818	-
-	-	-	-	-	-
<u>7,473</u>	<u>19,522</u>	<u>1,971</u>	<u>21,043</u>	<u>1,818</u>	<u>-</u>
7,473	19,522	1,971	21,043	1,818	-
<u>7,473</u>	<u>19,522</u>	<u>1,971</u>	<u>21,043</u>	<u>1,818</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENTS OF ASSETS AND LIABILITIES - AGENCY FUND (CONTINUED)
June 30, 2014

	Horizon Academy West	International School at Mesa del Sol	J. Paul Taylor Academy	La Jicarita Community School
ASSETS				
Cash in Bank	\$ 31,713	7,299	2,492	-
Accounts Receivable	-	-	-	-
Total Assets	\$ 31,713	7,299	2,492	-
LIABILITIES				
Deposits Held for Others	\$ 31,713	7,299	2,492	-
Total Liabilities	\$ 31,713	7,299	2,492	-

La Promesa Early Learning Center	La Resolana Leadership Academy	La Tierra Montessori School of the Arts and Sciences	The Masters Program	McCurdy Charter School	Media Arts Collaborative Charter School
-	616	1,959	8,615	91,427	5,225
-	-	-	-	-	-
-	616	1,959	8,615	91,427	5,225
-	616	1,959	8,615	91,427	5,225
-	616	1,959	8,615	91,427	5,225
-	616	1,959	8,615	91,427	5,225

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES - AGENCY FUND (CONTINUED)
 June 30, 2014

	Mission Achievement and Success	Montessori Elementary School	New American School	New America School of Las Cruces
ASSETS				
Cash in Bank	\$ 1,516	3,105	732	1,724
Accounts Receivable	-	550	-	-
Total Assets	\$ 1,516	3,655	732	1,724
LIABILITIES				
Deposits Held for Others	\$ 1,516	3,655	732	1,724
Total Liabilities	\$ 1,516	3,655	732	1,724

New Mexico Connections Academy	New Mexico International School	New Mexico School for the Arts	North Valley Academy	Ralph J. Bunche Academy	Red River Valley Charter School
21	30,152	10,029	23,171	-	-
-	-	-	-	-	-
<u>21</u>	<u>30,152</u>	<u>10,029</u>	<u>23,171</u>	<u>-</u>	<u>-</u>
21	30,152	10,029	23,171	-	-
<u>21</u>	<u>30,152</u>	<u>10,029</u>	<u>23,171</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES - AGENCY FUND (CONTINUED)
 June 30, 2014

	<u>Sage Montessori Charter School</u>	<u>School of Dreams Academy</u>	<u>South Valley Preparatory School</u>	<u>Southwest Aeronautics, Mathematics, and Science Academy</u>
ASSETS				
Cash in Bank	\$ 12,447	21,760	9,734	-
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 12,447</u>	<u>21,760</u>	<u>9,734</u>	<u>-</u>
LIABILITIES				
Deposits Held for Others	\$ 12,447	21,760	9,734	-
Total Liabilities	<u>\$ 12,447</u>	<u>21,760</u>	<u>9,734</u>	<u>-</u>

<u>Southwest Intermediate Learning Center</u>	<u>Southwest Primary Learning Center</u>	<u>Southwest Secondary Learning Center</u>	<u>Taos Academy</u>	<u>Taos Integrated School of Arts</u>	<u>The Learning Community Charter School</u>
-	-	-	81	5,592	1,388
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>5,592</u>	<u>1,388</u>
-	-	-	81	5,592	1,388
<u>-</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>5,592</u>	<u>1,388</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COMBINING STATEMENTS OF ASSETS AND LIABILITIES - AGENCY FUND (CONTINUED)
 June 30, 2014

	<u>Tierra Adentro</u>	<u>Uplift Community School</u>	<u>Village Academy</u>	<u>Walatowa High Charter School</u>
ASSETS				
Cash in Bank	\$ 39,448	70	-	12,019
Accounts Receivable	-	-	-	-
Total Assets	<u>\$ 39,448</u>	<u>70</u>	<u>-</u>	<u>12,019</u>
LIABILITIES				
Deposits Held for Others	\$ 39,448	70	-	12,019
Total Liabilities	<u>\$ 39,448</u>	<u>70</u>	<u>-</u>	<u>12,019</u>

William W. & Josephine Dorn Charter Community School	Total Charter Schools
-	517,490
-	550
-	518,040
-	518,040
-	518,040

NON-MAJOR GOVERNMENTAL FUNDS

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NATURE OF ORGANIZATION

The State of New Mexico Public Education Department (Department) is responsible for establishing and implementing standards for education and providing administrative services, including school budgeting and reporting, and for educational and vocational rehabilitation programs in the State of New Mexico. Specific programs focus on a number of services, including regulatory enforcement, information dissemination, and vocational rehabilitation for physically and mentally handicapped citizens, and adjudication of disability and supplementary security claims for the general vocational rehabilitation program.

The elected 10-member Public Education Commission (Commission) serves in an advisory capacity in accordance with laws enacted by the New Mexico State Legislature during the 2004 Regular Session. The Commission has approved state-chartered status to 55 schools as reported in Volume III – X of these financial statements.

The chief executive officer of the Department of the Secretary of Education, a cabinet secretary appointed by the governor and confirmed by the New Mexico Senate. The Department's functions are administered through the Public Education Department (PED), the Division of Vocational Rehabilitation (DVR) and its subdivision, Disability Determination Services (DDS).

The financial statements for the Department have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard – setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity. Certain GASB statements define the financial reporting entity as consisting 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 as exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Public Education Department is considered to be a department of the State of New Mexico and is reported as such in the State of New Mexico's Comprehensive Annual Financial Report.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management has evaluated GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*, and has determined that the State Chartered Charter Schools (“Charter Schools”) meet the criteria to be presented as discretely presented component units of the State of New Mexico (the Primary Government). However, as the Department is responsible for providing regulatory oversight of the Charter Schools, including them as discretely presented component units in the financial statements of the Department is an acceptable financial statement presentation. In addition, the Department has concluded that a financial benefit or burden relationship exists as the Department is entitled to the Charter Schools resources and the Department is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the Charter Schools. In further support of the Department reporting the Charter Schools as discretely presented component units, a technical inquiry was submitted to the GASB which identified that, while the GASB standards do not address the accounting and financial reporting for separately issued GAAP-based departmental financial statements, consideration should be made in meeting the Departments reporting obligations and should consider long-established practice. In applying all relevant GAAP to the Departments financial statements, the Charter Schools were determined to be required for inclusion as discretely presented component units since the Charter Schools are fiscally dependent on the Department and the Department is the entity with the financial benefit or burden relationship with the Charter Schools. The following 55 Charter Schools are considered to be discretely presented component units of the Department:

- Academy of Trades and Technology
- ACE Leadership High School
- Albuquerque Institute for Math & Science
- Albuquerque School of Excellence
- Albuquerque Sign Language Academy
- Aldo Leopold High School
- Alma D’Arte Charter High School
- Amy Biehl Charter High School
- Anthony Charter School
- ASK Academy
- Cesar Chavez Community School
- Cien Aguas International School
- Coral Community Charter
- Cottonwood Classical Preparatory School
- Creative Education Preparatory Institute #1
- East Mountain High School
- Estancia Valley Classical Academy
- Gilbert L. Sena Charter High School
- Great Academy
- Health Leadership High School
- Horizon Academy West
- International School at Mesa Del Sol
- J. Paul Taylor Academy
- La Jicarita Community School
- La Promesa Early Learning Center
- La Resolana Leadership Academy

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PUBLIC EDUCATION DEPARTMENT
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- La Tierra Montessori School of the Arts and Sciences
- Masters Program
- McCurdy Charter School
- Media Arts Collaborative Charter School
- Mission Achievement and Success Charter School
- Montessori Elementary School
- New America School
- New America School of Las Cruces
- New Mexico Connections Academy
- New Mexico International School
- New Mexico School for the Arts
- North Valley Academy
- Ralph J. Bunche Academy
- Red River Valley Charter School
- Sage Montessori Charter School
- School of Dreams Academy
- South Valley Preparatory School
- Southwest Aeronautics, Mathematics, and Science Academy
- Southwest Intermediate Learning Center
- Southwest Primary Learning Center
- Southwest Secondary Learning Center
- Taos Academy
- Taos Integrated School of the Arts
- The Learning Community Charter School
- Tierra Adentro
- Uplift Community School
- Village Academy
- Walatowa Charter High School
- William W. & Josephine Dorn Charter Community School

The New Mexico Public Education Commission authorizes the Charter Schools, supervise the Charter Schools and operate under the Department. Financial statement reporting includes the Charter Schools in the Department's financial statements as discretely presented component units. Additionally, Charter School foundations are considered to be blended component units of the Charter Schools and have been included as a separate fund of the Charter Schools.

The Division of Vocational Rehabilitation is a separately appropriated division of the Department.

Basic Financial Statements. The basic financial statements include both governmental-wide (based on the Department as a whole) and fund financial statements. The reporting model focus is on either the Department as a whole, or its major individual funds (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as governmental activities. The Department is a single purpose government entity and has no business-type activities. In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis and are reflected on the full accrual, economic resources measurement focus, which incorporates long-term assets and receivables as well as long-term obligations.

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The government-wide Statement of Activities reflects both the gross and net cost per functional category (education, labor, transportation, etc.) that are otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. The program revenues must be directly associated with the function of an activity. The Department includes two functions (education and health & welfare). When an expense is incurred for purposes when both restricted and unrestricted resources are available, the department utilizes the restricted resources first.

The net cost by function is normally covered by general revenues (taxes, intergovernmental revenues, interest income, etc.). Historically, the previous model did not summarize or present net cost by function or activity. Since the Department only has one program, it does not employ indirect cost allocation in the financial statements.

Provided in the Combining and Individual Fund Statements and Schedules section of the financial statements is a breakdown of the government-wide financial statements showing the separately appropriated Division of Vocational Rehabilitation Statement of Net Position and Statement of Activities separate from the Department. These statements are for informational purposes only and are not presented in the basic financial statements.

This government-wide focus is more on the sustainability of the Department as an entity and the change in aggregate financial position resulting from the activities of the current fiscal period.

The fund financial statements are similar to the financial statements presented in the previous accounting model. Emphasis here is on the major funds. Non-major funds (by category) are summarized into a single column.

The governmental fund statements are presented on a current financial resource measurement focus and modified accrual basis of accounting. This presentation is deemed more appropriate to (a) demonstrate legal compliance, (b) demonstrate the source and use of liquid resources, and (c) demonstrate how the Department's actual expenses conform to the budget or fiscal

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PUBLIC EDUCATION DEPARTMENT
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

plan. Since the governmental fund statements are presented on different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each statement, which briefly explains the adjustment necessary to transform the fund-based financial statements into government-wide presentation.

The Department's fiduciary funds are presented in separate statements since by definition these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the government. As a result, these funds are not incorporated into the government-wide statements.

Basis of Presentation. The financial transactions of the Department are maintained on the basis of funds, each of which are considered a separated accounting entity. The operations of each fund are accounted for which a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, expenditures or expenses, and other financing sources or uses. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The funds of the Department are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and descriptions of each existing fund type follows:

Governmental Funds are used to account for the Department's general government activities, including the collection and disbursement of specific or legally restricted monies. Governmental funds include:

General Fund - The primary operating funds of the Department accounts for all financial resources, except those required to be accounted for in the other funds.

Special Revenue Funds - These funds account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

Fiduciary Funds are assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the Department. Agency and trust funds are custodial in nature and do not involve measurement of results of operations.

Private-Purpose Trust Funds - These funds are used to account for trust

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

arrangements under which principal or interest benefits specific individuals or originations, but not the reporting government.

Agency Funds - These are used to account for assets held on behalf of individuals, private organizations, other governmental and/or other funds.

The major funds presented in the financial statements include the following:

General Funds

PED General Fund (SHARE Fund #05700) - The General Fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is funded primarily from appropriations from the State of New Mexico General Fund. This is a reverting fund.

DVR General Fund (SHARE Fund #50000) - This fund accounts for all operations of the Division of Vocational Rehabilitation, except for those of Disability Determination Services. This is a non-reverting fund. This fund balance is reserved for subsequent year's expenditures and is considered major because of its importance. The DVR general fund can combine DVR SHARE fund #51900 in which the activity in this fund is comprised of a federal discretionary grant in which federal monies are provided to the State of New Mexico to provide financial assistance designed to maximize the ability of individuals of all ages with disabilities and their family members, guardians, advocates and authorized representatives to obtain assistive technology devices and assistive technology services. This program is funded entirely through federal funds and is a non-reverting fund per State Appropriation disclosure.

Special Revenue Funds

Disability Determination Services (SHARE Fund #50100) - This fund accounts for the operations of the Disability Determination Services Unit. This is a non-reverting fund. This fund balance is considered major because of its importance to the users of the financial statements.

Federal Department of Education Flowthrough (SHARE Fund #67300) - This fund is used to account for various grants from the United States Department of Education (USDE) to New Mexico Schools. The Department is responsible for the disbursement of such funds in accordance with USDE requirements (Title 34, Code of Federal Regulations).

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Appropriations to this fund do not revert to another fund at the end of the appropriation period.

Special Projects (SHARE Fund #79000) - This fund accounts for the receipts and disbursements of state special appropriations for a variety of projects, as appropriated by the State of New Mexico Legislature, and consists of reverting and non-reverting funds. The Special Projects Flowthrough fund was established by the Legislature (48th Legislature, 1st Session, Chapter 28) and amended by Senate Bill 165 of 2008.

Public School Support Flowthrough (SHARE Fund #85800) - This fund is used in the accounting for distributions to school districts for the State Equalization Guarantee, Transportation and Supplemental Distributions programs. Financing is provided through State General Fund appropriations. This is a reverting fund.

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.

The government-wide financial statements and the fiduciary statements are presented on an accrual basis of accounting. The Governmental Funds in the Fund Financial Statements are presented on a modified accrual basis. Under the accrual method of accounting, revenues are recognized when earned and expenditures are recognized when incurred.

In the government-wide Statement of Net Position, the governmental activities are presented on a consolidated basis using the economic resources measurement focus and the accrual basis of accounting, incorporating long-term assets and receivables as well as long-term debt and obligations.

Modified Accrual. All governmental funds are accounted for using 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 soon enough thereafter to be used to pay liabilities of the current period. The Department defines the term "available" to include funds received 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 long-term debt, if any, is recognized when due.

Revenues from grants that are restricted for specific uses are recognized as revenues and as

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

receivables when the related costs are incurred. Contributions and other monies held by other state and local agencies are recorded as receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received and are not susceptible to accrual.

Revenues from special appropriations (capital projects) that are restricted for specific uses are recognized as revenues and as receivables when the related costs are incurred. Contributions and other monies held by other State and local agencies are recorded as a receivable at the time the money is made available to the specific fund. All other revenues are recognized when they are received if they are not susceptible to accrual.

Expenditures are recorded as liabilities when incurred. An exception to this general rule is that accumulated unpaid annual, compensatory and certain sick leave are not accrued as current liabilities but as non-current liabilities at the government-wide level only. Expenditures charged to federal programs are recorded utilizing the cost principles described by the various funding sources.

In applying the “susceptible to accrual” concept to intergovernmental revenues pursuant to GASB No. 33 (as it relates to non-exchange and exchange transactions), the provider should recognize liabilities and expenses and the recipient should recognize receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met, under most circumstances, should be reported as advances by the provider and unearned revenue by the recipient.

Budgets and Budgetary Accounting. Per the General Appropriation Act, Laws for 2007, Chapter 28, Section 3, item N “For the purpose of administering the General Appropriation Act of 2007 and approving operating budgets, the State of New Mexico shall follow modified accrual basis of accounting for governmental funds in accordance with the manual of model accounting practices issued by the Department of Finance and Administration.” The budget is adopted on the modified accrual basis of accounting except for accounts payable accrued at the end of the fiscal year that do not get paid by the statutory deadline per Section 6-10-4 NMSA 1978. Those accounts payable that do not get paid timely must be paid out of the next year’s budget. Encumbrances related to single year appropriations lapse at year end. Each year the Legislature approves multiple year appropriations, which the State considers as continuing appropriations. The Legislature authorizes these appropriations for two to five years; however, it does not identify the authorized amount by fiscal year. Consequently, the appropriation is budgeted in its entirety the first year the Legislature authorizes it. The unexpected portion of the budget is

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

carried forward as the next year's beginning budget balance until either the project period has expired or the appropriation has been fully expended. The budget presentations in these financial statements are consistent with this budgeting methodology.

The budget-to-actual comparisons for the capital projects funds, which are based on multiple year appropriations budgets, are presented in supplemental schedules to the financial statements as Multi-Year Budgeted Schedules.

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

- No later than September 1, the Department submits to the Budget Division of DFA and the Legislative Finance Committee (LFC) an appropriations request for the fiscal year commencing the following July 1. The appropriation request includes proposed expenditures and the means of financing them.
- Budget hearings are scheduled with DFA and LFC. Budget recommendations are prepared by the above agencies. The two budget recommendations are submitted for the upcoming legislative session.
- Budget hearings are scheduled before the Appropriations Committee of the New Mexico House of Representatives and Senate. The final outcome of these hearings is incorporated into the General Appropriations Act.
- The Governor of the State of New Mexico signs the General Appropriations Act into law within the legally prescribed time limit.
- Not later than May 1, the Department submits an annual operating budget request to the Budget Division of DFA, which reviews the request and subsequently approves the budget based upon the appropriation made by the Legislature. All subsequent budget transfers and increases must be authorized by the Director of the Budget Division. The budgets for the year ended June 30, 2014 have been so adjusted.
- Legal budgetary control for expenditures and encumbrances is by category of the appropriation unit.
- Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund and Special Revenue Funds.

The following funds were not budgeted in the fiscal year ended June 30, 2014 because there were no associated expenditures with them:

- Ed Tech Deficiency Correction Fund (SHARE Fund #20160)
- Charter School Stimulus (SHARE Fund #47000)
- Reading Materials (SHARE Fund #58600)

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- State Support Reserve (SHARE Fund #85700)
- DVR ARRA Fund (DVR SHARE Fund #89000)
- Public School Capital Outlay (SHARE Fund #63500)
- Special Capital Outlay Severance Tax Bonds 2000 (SHARE Fund #81300)

The unexpended and unencumbered State General Fund appropriation to the Department lapses at year end and reverts to the State General Fund. The Department may also receive funding from various special appropriations.

The language of a particular special appropriation determines when it lapses and whether or not expended and unencumbered balances revert to the State General Fund. See Note 16 for specific funds subject to annual reversion to State General Fund.

Cash Deposits. The Department is required by statute to deposit any money received into the State Treasury. Balances maintained at the end of the day are pooled and invested by the New Mexico State Treasurer in repurchase agreements. The New Mexico State Treasurer issues separate financial statements that disclose the collateral pledged to secure these deposits, categories of risk involved, and the market value of purchased investments, which may differ from the cash deposited by the Department.

Inter-Fund Receivables/Payables – Short-term. During the course of operations, numerous transactions occur among individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the fund balance sheets. Short-term inter-fund loans are classified as “inter-fund receivables/payables”.

Federal Grants Receivables. Amounts listed as Federal grants receivable are reimbursements due for pass through funds. No allowance for uncollectible amounts has been made since these are expected to be reimbursed in full.

Advances to Local Education Agencies. The Department passes through federal funding to the local school districts. The Department normally pays the school on a reimbursement basis, but the Department also advances funding to schools. Schools are required to spend the advanced funds in the school year budgeted. As the schools report their expenditures on a monthly basis, the Department relieves the receivable and records federal expenditures. Unspent funds are to be returned to the Department, which in turn are returned to the federal grantor by the Department. Because the Department has the ability to reduce funding in subsequent years to compensate for unspent funds that are returned, the advances are considered full collectible.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The State's capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Department does not capitalize any interest with regard to its capital assets.

In fiscal year 2006, the capitalization policy changed from \$1,000 to \$5,000 for capitalizing capital assets. The Department has elected include assets that cost less than \$5,000 but equal to or more than \$1,000, and were purchased prior to July 1, 2005, on their capital asset inventory and financial statements.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Department utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Computing Equipment and Software	3 years
Equipment	5 to 7 years

Capital assets for the governmental funds are recorded on the government-wide financial statements.

Compensated Absences Payable. Accrued vacation up to 240 hours is recorded in the Statement of Net Position at 100% of the employee's hourly wage. In additions, accrued sick leave over 600 and up to 720 hours less the amount classified as current is recorded in the Statement of Net Position at 50% of the employee's hourly wage. Compensatory time is accrued at a rate of one and one-half hours for each hour of employment for which overtime compensation is required for those employees covered by the Fair Labor Standards Act (FLSA). Employees exempt from coverage by FLSA earn one hour of compensatory time for each over time hour. The accrual for compensated absences is calculated at pay rates in effect at June 30, 2014, and includes direct and incremental salary related payments, such as the employees' share of social security taxes.

Fund Balances. In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, or unrestricted (committed, assigned, or unassigned). Restricted represents those portions of fund balance where constraints placed on the resources are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

**STATE OF NEW MEXICO
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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed fund balance represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches of the State. Assigned fund balance is constrained by the Legislature's and Executive Branch's intent to be used for specific purposes or in some cases by legislation.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available for use, it is the Department's policy to use restricted resources first and then unrestricted resources. Any residual balances are classified using the default policy for unrestricted fund balance: committed amounts would be used first, followed by assigned amounts, and then unassigned amounts.

Net Position. The government-wide financial statements utilize a net position presentation. The net position is categorized as an investment in capital assets, restricted and unrestricted.

Investment in Capital Assets - is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The Department did not have any related debt during the year ended in June 30, 2014.

Restricted Net Position - are liquid assets (generated from revenues and not bond proceeds), which have third-party (statutory, bond covenant or granting agency) limitations (legally restricted) on their use. The Department reported restricted net position at June 30, 2014.

Unrestricted Net Position - represents the excess of total assets over liabilities and investment in capital assets at June 30, 2014.

Inter-fund Transactions. Inter-fund activity is reported as loans, services provided reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consideration.

Services provided, deemed to be at market value, are treated as revenues and expenditures. Reimbursements are when a fund incurs a cost, charges at the appropriate benefiting fund and reduces its related cost as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between funds are netted at the government-wide level.

Uses 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

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Unearned Revenues. Various reimbursement procedures are used for federal awards received by the Department. Consequently, timing differences between expenditures and program reimbursements can exist at any time during the fiscal year. Receivable balances at fiscal year-end represent an excess of modified accrual basis expenditures over cash reimbursements received to date. Conversely, unearned revenue balances represent an overdraw of cash (advances) in excess of modified accrual bases expenditures. Generally, receivable or unearned revenue balances caused by differences in the timing of cash reimbursements and expenditures will be reversed or returned to the grantor in the remaining grant period.

Deferred Outflows/Inflows of Resources. In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Also, in addition to liabilities, the Statement of Net Position 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. At June 30, 2014, the Department reported no deferred outflows or inflows of resources.

Severance Tax Bonds Proceeds. While the Department receives severance tax bond proceeds appropriated to the capital projects funds for projects specified by the legislature, it has no obligation for repayment of the bonds and reports not liability for severance tax bonds payable in its financial statements. These bonds are obligations of the State of New Mexico's Comprehensive Annual Financial Report, or CAFR, issued by the State of New Mexico's Controller's Office. The CAFR can be obtained by contacting the State Controller at the Bataan Memorial Building, Santa Fe, New Mexico 87501.

NOTE 2. STATE GENERAL FUND INVESTMENT POOL NOT RECONCILED

The General Fund Investment Pool is the State of New Mexico's main operating account. State revenues such as income taxes, sales taxes, rents and royalties, and other recurring revenues

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NOTE 2. STATE GENERAL FUND INVESTMENT POOL NOT RECONCILED (CONTINUED)

are credited to the General Fund Investment Pool. The fund also comprises numerous state agency accounts whose assets, by statute (Section 8-6-3 NMSA 1978), must be held at the State Treasury.

In June 2012, an independent diagnostic report revealed that Pool balances had not been reconciled at a “business unit by fund” level since the inception of the Statewide Human Resources, Accounting, and Management Reporting System (SHARE) system in July 2006. This report, entitled “Current State Diagnostic of Cash Control,” also described a difference between Pool bank balances and the corresponding general ledger balances and indicated that the effect of reconciling items were unknown.

By state statute, the New Mexico Department of Finance and Administration (DFA) is responsible for the performance of monthly reconciliations with the balances and accounts kept by the State Treasurer. Therefore, under the direction of the State Controller / Financial Control Division Director, the Financial Control Division (FCD) of the New Mexico Department of Finance & Administration undertook action to address the situation. DFA/FCD initiated the Cash Management Remediation Project (Remediation Project) in partnership with the Office of the New Mexico State Treasurer, the New Mexico Department of Information Technology, and a contracted third party with expertise in the Enterprise System Software used by the State.

The Remediation Project objective was to design and implement changes necessary to ensure ongoing completion of timely, accurate and comprehensive reconciliation of the Pool. DFA has or is in the process of implementing all the recommendations resulting for the Remediation Project and has made changes to the State’s SHARE system configuration, cash accounting policies and procedures, business practices, and banking structure. This has enabled DFA to complete timely and accurate reconciliation of bank to book balances at the State and Business Unit level on a post-implementation basis, however, it did not resolve historical reconciling items. Additional changes recommended by the Project continue to be cascaded through DFA and state agencies to support the Business Unit by Fund accounting requirements.

A plan to address historical reconciling items is being assessed and a separate initiative will need to be undertaken to resolve the historical reconciling items. Management considers it unlikely that this separate initiative will be successful in allocating all historical reconciling items to the State entities invested in the Pool. As a result, any remaining differences post specific allocation to Pool participants will be reported in the State General Fund.

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NOTE 2. STATE GENERAL FUND INVESTMENT POOL NOT RECONCILED (CONTINUED)

Phase I of the Cash Management Remediation Project (completed in May 2013) implemented statewide business process changes and corrected numerous SHARE System configurations. As a result of the changes and corrections, DFA/FCD was able to begin reconciling activity reported by the State's fiscal agent bank to the SHARE general ledger on a *point-forward basis* beginning February 1, 2013. However, additional critical business process changes and corrections to configurations within the SHARE System remain to be completed; therefore, the State's Cash Management Remediation Project, Phase II, will commence during fiscal year 2015.

Section 6-5-2.1(J) NMSA 1978 requires DFA to complete, on a monthly basis, reconciliations with the balances and accounts kept by the State Treasurer and adopt and promulgate rules regarding reconciliation for state agencies. The Department has established internal control procedures applying the State of New Mexico Manual of Model Accounting Practices. These procedures are designed to implement necessary controls to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, the Department ensures that any disbursement of funds does not exceed the appropriation made, its periodic allotment, or the unencumbered funds at its disposal. Incorporating the State's financial software system (SHARE) and internal reporting and reconciliation throughout the fiscal year, the Department maintains optimum fiscal safeguards. This ensures that the cash balances in SHARE are correct to the extent that the Department has control (i.e., collection, depositing, reconciling, and documentation of outstanding reconciling items) of the cash it receipts and transfers to the state general fund and other state agencies pursuant to state statute.

Since SHARE was implemented, the Department recognized the statewide cash reconciliation issue and in response, developed internal reconciliation procedures to ensure that cash receipts and disbursements recorded in the SHARE system are in fact transactions that have been initiated by the department. The Department monitors, validates, and reconciles daily the cash report in SHARE and match transactions on the report to the source documents of those deposits made or federal draws requested. The Department processes large monthly distributions to districts through State appropriations, such as SEG, and monitor as well to make sure those are received. The department verifies that all cash deposits and financial transactions are accurately recorded and posted to the SHARE system; differences are resolved in conjunction with the State Treasures Office, the depository bank and the federal Treasury Department.

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NOTE 2. STATE GENERAL FUND INVESTMENT POOL NOT RECONCILED (CONTINUED)

This internal reconciliation of cash receipts and disbursements flowing through Department's Interest in the State General Fund Investment Pool provides management assurance that the balance reflected in State General Fund Investment Pool account is accurate as of the end of the reporting period. In addition, the Department reconciles other asset and liability accounts on the Balance Sheet of each fund type. This process also provides additional assurance that transactions affecting the Department's Interest in the State General Fund Investment Pool account are accurate.

NOTE 3. INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL

State law (Section 8-6-3 NMSA 1978) requires the Department's cash be managed by the New Mexico State Treasurer's Office. Accordingly, the investments of the Department consist of an interest in the General Fund Investment Pool managed by the New Mexico State Treasurer's Office.

At June 30, 2014 the Department had the following interest in the State General Fund Investment Pool:

Investment in State General Fund Investment Pool	\$106,943,762
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Interest Rate Risk. The New Mexico State Treasurer's Office has an investment policy that limits investment maturities to five years or less on allowable investments. This policy is means of managing exposure to fair value losses arising from increasing interest rates. This policy is reviewed and approved annually by the New Mexico State Board of Finance.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The General Fund Investment Pool is not rated for credit risk.

Custodial Credit Risk. The cash on deposit with the New Mexico State Treasurer's State General Fund Investment Pool is monitored by the office for purposes of collateralization in compliance with Section 6-10-17, NMSA 1978. The Department has been authorized by the NM State Treasurer's Office to carry a negative cash balance (cash overdraft) due to the administration of the cost grants. Cash overdrafts listed as due to State General Fund Investment Pool are shown below.

Investment in State General Fund Investment Pool - Overdraft	\$308,767
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NOTE 3. INTEREST IN THE STATE GENERAL FUND INVESTMENT POOL (CONTINUED)

For further information regarding the State General Fund Investment Pool, please see the State Treasurer's annual audit report and specifically refer to the GASB 40 disclosure of the investments. That report may be obtained by writing to the New Mexico State Treasurer's Office, P.O. Box 608, Santa Fe, NM 87504-0708.

NOTE 4. CASH AND INVESTMENTS

The Eva Lou Kelly Scholarship trust fund has a certificate of deposit with a local bank. The certificate matures February 19, 2016. The interest rate is 0.7%, payable monthly. The certificate is fully insured by the FDIC and in the name of the trust fund. Market value approximates cost.

Washington Federal Savings, Santa Fe, NM	
Certificate of Deposit	\$ 20,000
FDIC Insurance	<u>(20,000)</u>
Uninsured Amount	\$ <u> -</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Department does not have an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NOTE 5. DUE FROM STATE AGENCIES

Transactions that occur among state agencies under legislative mandate, exchange transactions and other situations are accounted for in the financial statements which make up the due from and due to (Note 6) other state agencies. The due from other governments as of June 30, 2014 consists of the following:

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5. DUE FROM STATE AGENCIES (CONTINUED)

Share Fund No.	Agency	Other Agency Fund No.	Amount
05700	Department of Finance and Administration (DFA)	34100	\$ 2,545
51300	Taxation and Revenue Department	33300	2,329
67200	Department of Finance and Administration (DFA)	34100	52,147
81600	Department of Finance and Administration (DFA)	34100	403,478
89200	Department of Finance and Administration (DFA)	34100	13,767,371
Total Due from Other State Agencies			\$ <u>14,227,870</u>

Advances to local education agencies of \$321,617 consist of federal program advances passed through to the various schools and school districts.

NOTE 6. DUE TO OTHER STATE AGENCIES

Total due to other state agencies at June 30, 2014 is as follows:

Share Fund No.	Agency	Other Agency Fund No.	Amount
05700	Educational Retirement Board	35200	\$ 105,620
63400	New Mexico State Board of Finance	34100	122,024
67200	Department of Military Affairs	70500	15,993
81600	New Mexico State Board of Finance	34100	24,339
84400	Children, Youth and Families Department	69000	1,345,207
84400	Department of Health	66500	357,071
Total			\$ <u>1,970,254</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 7. INTERFUND BALANCES

The following is an analysis of amounts shown as due from and due to other funds at June 30, 2014:

<i>Amounts Due to Other Funds</i>		<i>Amounts Due from Other Funds</i>	
<u>Share Fund No.</u>	<u>Amount</u>	<u>Share Fund No.</u>	<u>Amount</u>
57300	\$ 3,118,458	79000	\$ 3,118,458
88900	200	20550	200
56200	4,005	84400	4,005
67200	186,187	67400	186,187
	<u>\$ 3,308,850</u>		<u>\$ 3,308,850</u>

The inter-fund balances are a result of reimbursement owed between the funds, and are expected to be paid within one year.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 8. CAPITAL ASSETS

A summary of changes in capital assets at June 30, 2014 is as follows:

	Balance June 30, 2013	Adjustment Additions	Deletions	Balance June 30, 2014
PED:				
Equipment	\$ 4,427,516	14,226	-	4,441,742
Art Acquisitions	5,800	-	-	5,800
Total PED	<u>4,433,316</u>	<u>14,226</u>	<u>-</u>	<u>4,447,542</u>
DVR/DDS:				
Equipment	<u>1,769,600</u>	<u>110,378</u>	<u>(804,288)</u>	<u>1,075,690</u>
Total Department:				
Equipment	6,197,116	124,604	(804,288)	5,517,432
Art Acquisitions	5,800	-	-	5,800
Subtotal	<u>6,202,916</u>	<u>124,604</u>	<u>(804,288)</u>	<u>5,523,232</u>
Accumulated Depreciation:				
PED- Equipment	(4,285,512)	(54,610)	-	(4,340,122)
DVR/DDS- Equipment	<u>(1,673,935)</u>	<u>(42,889)</u>	<u>804,288</u>	<u>(912,536)</u>
Subtotal	<u>(5,959,447)</u>	<u>(97,499)</u>	<u>804,288</u>	<u>(5,252,658)</u>
Total	<u>\$ 243,469</u>	<u>27,105</u>	<u>-</u>	<u>270,574</u>

Depreciation expenses were charged to functions in the Department for the year ended June 30, 2014 are as follows:

Public Education Department	
Education	\$ 54,610
Division of Vocational Rehabilitation	
Health and Welfare	<u>42,889</u>
Total Department	<u>\$ 97,499</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 9. COMPENSATED ABSENCES

A summary of changes in compensated absences for the year ended June 30, 2014 is as follows:

	Balance June 30, 2013	Increase	Deletions	Balance June 30, 2014	Current Portion
PED	\$ 1,391,423	56,547	(785,593)	662,377	662,377
DVR/DDS	717,083	1,282,435	(1,419,863)	579,655	579,655
Total	\$ 2,108,506	1,338,982	(2,205,456)	1,242,032	1,242,032

PED compensated absences are typically liquidated with SHARE fund No. 05700 and No. 84400 resources. DVR/DDS compensated absences are typically liquidated with SHARE fund No. 50000 and No. 50100 resources. These compensated absences balances are paid within one year.

NOTE 10. SPECIAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATIONS

A summary of the special and deficiency appropriations included in fund 79000 is as follows:

PED	Appropriation Period	Appropriation Amount	Expenditure to Date	Reserve Fund Balance	Remaining Balance to Expend
Special Appropriations					
Laws 2013, Chapter 227, Sec. 5 & 6	2013-2015	\$ 3,400,000	(3,199,357)	-	200,643
Laws 2013, Chapter 227, Sec. 5 & 6	2013-2015	5,800,000	(5,598,000)	-	202,000
Laws 2013, Chapter 227, Sec. 5 & 6	2013-2015	100,000	(28,238)	-	71,762
Laws 2013, Chapter 227, Sec. 5 & 6	2013-2015	5,200,000	(4,781,203)	-	418,797
Laws 2013, Chapter 227, Sec. 5 & 6	2013-2015	2,000,000	(255,130)	-	1,744,870
Laws 2013, Chapter 227, Sec. 5 & 6	2013-2015	1,500,000	(1,413,324)	-	86,676
Special and Deficiency Appropriations - Maintenance of State Financial Support					
Laws 2013, Chapter 227, Sec. 5 & 6	2013-2015	20,000,000	(16,881,452)	(3,118,548)	-
Laws 2013, Chapter 227, Sec. 4 & 5	2013-2014	10,000,000	-	-	10,000,000
Laws 2013, Ch. 191	Non-Reverting	36,000,000	-	-	36,000,000
Total 2014		\$ 84,000,000	(32,156,704)	(3,118,548)	48,724,748

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PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

**NOTE 10. SPECIAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATIONS
(CONTINUED)**

SPECIAL APPROPRIATIONS - HOUSE BILL 2

\$3,400,000 for implementing a new teacher and school leader evaluation system. The appropriation is from the separate account of the appropriation contingency fund dedicated for the purpose of implementing and maintaining educational reforms created in Section 12 of Chapter 114 of Laws 2004.

\$5,800,000 for emergency support to school districts experiencing shortfalls. All requirements for distribution of funds shall be in accordance with Section 22-8-30 NMSA 1978.

Unexpended and unencumbered balances in the kindergarten plus fund established in Section 22-2-20 NMSA 1978 shall be transferred to the kindergarten-three-plus fund established in Section 22-13-28.1 NMSA 1978.

\$100,000 to distribute to school districts and charter schools for the purchase of New Mexico grown fresh fruits and vegetables for school meal programs.

\$5,200,000 to purchase computers for administration of the next generation assessment developed by the partnership for assessment of readiness for college and careers to students in grades three through eleven. The appropriation is from the separate account of the appropriation contingency fund dedicated for the purpose of implementing and maintaining educational reforms created in Section 12 of Chapter 114 of Laws 2004.

\$20,000,000 to ensure the state makes sufficient funds available in fiscal year 2013 to meet the special education maintenance of effort requirements pursuant to the federal Individuals with Disabilities Education Act. The appropriation of twenty million dollars (\$20,000,000) includes fifteen million four hundred thousand dollars (\$15,400,000) from the separate account of the appropriation contingency fund dedicated for the purpose of implementing and maintaining educational reforms created in Section 12 of Chapter 114 of Laws 2004 and four million six hundred thousand dollars (\$4,600,000) in other state funds transferred to the public education department from the taxation and revenue department pursuant to Section 66-5-44 NMSA 1978.

The appropriation is contingent on the Public Education Department:

- 1) certifying that the program cost made available in fiscal year 2013 is insufficient to meet the maintenance of effort requirements of Part B of the federal Individuals with Disabilities Education Act in fiscal year 2013;

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

**NOTE 10. SPECIAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATIONS
(CONTINUED)**

2) reviewing with the legislative finance committee and the legislative education study committee the certification that the twenty million dollar (\$20,000,000) supplemental appropriation is needed to meet the maintenance of effort requirements of Part B of the federal Individuals with Disabilities Education Act for fiscal year 2013; and

3) obtaining board of finance approval to transfer and distribute funds.

The public education department shall not distribute more of the supplemental appropriation than is necessary to meet the maintenance of effort requirements of Part B of the federal Individuals with Disabilities Education Act for fiscal year 2013. The public education department shall distribute the required amount of the supplemental appropriation to each school district and charter school in the same manner and on the same basis as the state equalization guarantee distribution.

For the year ending June 30, 2013, the Department used \$16,881,453 of this special appropriation against the June 30, 2013 maintenance of effort requirements. \$3,118,547 is available to be used during the year ending June 30, 2014 for any shortfalls determined by the U.S. Department of Education for the June 30, 2014 year end. No amounts have been drawn on the supplemental and deficiency appropriations for the year ended June 30, 2014.

\$2,000,000 to the public education department to provide stipends to level two and level three teachers and school leaders to move from schools rated A or B to schools rated D or F pursuant to the A-B-C-D-F Schools Rating Act that serve a high proportion of at-risk students or high-poverty students and to provide stipends to high school teachers of advanced placement classes that increase the proportion of students receiving college credit for advance placement classes. The appropriation is from the separate account of the appropriation contingency fund dedicated for the purpose of implementing and maintaining educational reforms created in Section 12 of Chapter 114 of Laws 2004.

\$1,500,000 for transition to the common core content standards. Prior to expenditure of funds, the public education department shall submit to the legislative finance committee and the legislative education study committee a report on planned expenditure of funds, and by January 1, 2014, progress made as a result of the appropriation. The appropriation is from the separate account of the appropriation contingency fund dedicated for the purpose of implementing and maintaining educational reforms created in Section 12 of Chapter 114 of Laws 2004.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

**NOTE 10. SPECIAL, SUPPLEMENTAL, AND DEFICIENCY APPROPRIATIONS
(CONTINUED)**

The period of time for expending one million five hundred thousand dollars (\$1,500,000) of the appropriation made in Subsection 38 of Section 5 of Chapter 19 of Laws 2012 is extended through fiscal year 2014 to provide supplemental funding for increased fuel costs incurred by school districts and state-chartered charter schools. The appropriation is contingent on certification by the Public Education Department to the Department of Finance and Administration and the Legislative Finance Committee that no other funds, including federal funds, are available in fiscal year 2013 or fiscal year 2014 for the purpose specified. The distribution of funding shall be based on miles traveled for to-and from transportation of public school students. School districts and state-chartered charter schools shall request funds for fuel from the secretary of public education and provide supporting documentation that they have incurred increased costs due to higher fuel prices. The secretary of public education shall approve requests for funding for fuel cost increases and make distributions on a reimbursement basis.

Per the 2012 Laws, Chapter 19, the Division of Vocational Rehabilitation received a special appropriation to match with federal funds to support and enhance deaf and hard of hearing rehabilitation services.

	Appropriation Period	Appropriation Amount	Expenditure Date	Reserve fund Balance	Remaining Balance To Expend
Laws of 2012, Chapter 19	2013-2014	\$ <u>466,000</u>	<u>466,000</u>	<u>-</u>	<u>-</u>

NOTE 11. COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including accounts 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 Department expects such amounts, if any, to be immaterial.

The State did not meet its required level of financial support for the Special Education Cluster of programs for fiscal years 2011 and 2012. As a result, the Department may have a one-time reduction of future federal funding. Management's estimate of the potential one-time reduction in federal funding ranges from \$0 to \$63,491,592.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The MOE shortfall for fiscal years 2011 to 2013 are under appeal and is currently still undergoing final determination of MOE by the U.S. Department of Education at June 30, 2014. Concerning the potential shortfall of MOE the Department has \$3,118,548 remaining under a special appropriation from FY2013 and \$46,000,000 remaining under a deficiency appropriation available to be used to supplement the potential MOE shortfall. These appropriations are available through June 30, 2015. In FY2014 the Department believes it has fully funded its MOE.

Litigation. There are several pending and/or threatened lawsuits in which the Department is involved. Generally, these matters are insured by the Risk Management Division (RMD) of the New Mexico General Services Department. The Department's attorneys estimate that the potential claims against the Department not covered by insurance resulting from such litigation would not materially affect the financial statements of the Department.

Several school districts in New Mexico have substantial parcels of federal land within their boundaries. This property is not taxed by the State and therefore entitled to receive federal impact aid each year as revenue in-lieu of taxes for federal property. Upon receipt by the school districts of these federal impact aid funds, the Department takes a 75% credit against those funds out of the State distribution of the State Educational Guarantee (SEG) distribution to school districts. In school year 2009-2010 the federal government was late in approving the State's request to take credit for the federal property portion of impact aide, so the Department took the allowable credit based on prior year federal distribution; the US Department of Education was contacted and agreed with the procedure. The Zuni Public School District did not agree with the procedure and filed a complaint with the federal government. The complaint was reviewed and after a hearing, was denied by the US Department of Education. However, the Zuni Public School District then filed a lawsuit in state district court in Gallup against the Department for improperly taking credits against the receipt of federal impact aid funds pursuant to Section 8009(b) of the Elementary and Secondary Education Act of 1965, aka, 20 USC Section 7709(b). The Department filed a motion for summary judgment against Zuni to have the lawsuit dismissed. That motion was denied, causing the Department to file an appeal of that denial in the New Mexico Court of Appeals where the case is now pending. The PED is represented by the New Mexico Attorney General's Office but is participating in a vigorous defense of that action. It is hard to gauge how the Court will rule, however if the Court rules against the Department, then the plaintiffs will be able to proceed and could expand the court case into a class action.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 11. COMMITMENTS AND CONTINGENCIES (CONTINUED)

Impact aid funds are also received by school districts for students who reside on federal property, for special education students and for limited capital projects. These students may include military children as well as Native American students. Credit against the distribution from the SEG is not taken against these funds, only funds received for federal lands within school district boundaries.

State authorized chartered schools debt. If state authorized chartered schools debts become in violation of debt convent terms and conditions, in addition to insufficient funds from banking institutions become the direct responsibility of the Department. The Department may become obligated to satisfy state authorized chartered schools debts only to the extent of the debt and for the purpose of guaranteeing payment of the insufficient funds within the state funds that have deficits.

Lease Commitments. The Department has commitments for office space and equipment under operating lease agreements. Lease terms for office space range from one to 11 years and generally contain renewal options. Lease terms for office equipment range from one to five years. Rental expenditures for the year ended June 30, 2014, totaled \$2,881,913. Future minimum lease payments are as follows and are based on the actual lease terms and have not been discounted:

Year Ending June 30,	PED	DVR/DDS	Total
2015	\$ 315,892	2,551,943	2,867,835
2016	315,892	2,527,676	2,843,568
2017	315,892	2,521,312	2,837,204
2018	315,892	2,326,140	2,642,032
2019	315,892	1,637,012	1,952,904
2020-2024	1,579,462	1,040,470	2,619,932
2025	153,559	-	153,559
Total	\$ 3,312,481	12,604,553	15,917,034

NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Plan Description. Substantially all of the Department's full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11, NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit

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PUBLIC EDUCATION DEPARTMENT
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**NOTE 12. PENSION PLAN – PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
(CONTINUED)**

retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA 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 PERA, P.O. Box 2123, Santa Fe, NM 87504-2123. The report is also available on PERA's website at www.pera.state.nm.us.

Funding Policy. Plan members are required to contribute between 4% - 16.65% of their gross salary. The Department is required to contribute between 7% - 25.72% of the gross covered salary. The contribution requirements of plan members and the Department are established in State statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to PERA for the fiscal years ending June 30, 2014, 2013 and 2012 were \$3,038,059, \$2,710,809, and \$3,079,900, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 13. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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

Funding Policy

Member Contributions

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

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 13. PENSION PLAN – EDUCATIONAL RETIREMENT BOARD (CONTINUED)

Employer Contributions

The Department contributed 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 Department are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The Department's contributions to ERB for the fiscal years ending June 30, 2014, 2013 and 2012 were \$362,107, \$353,660 and \$744,031, respectively, which equal the amount of the required contributions for each fiscal year.

NOTE 14. OTHER POST-EMPLOYEMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

Plan Description. The Department contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

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

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

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PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 14. OTHER POST-EMPLOYEMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN (CONTINUED)

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. In the fiscal year ending June 30, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary each participating employee was required to contribute 1.25% 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 Department's contributions to the RHCA for the years ended June 30, 2014, 2013 and 2012 were \$437,947, \$424,757 and \$491,267, respectively, which equal the required contributions for each year.

NOTE 15. RISK MANAGEMENT

The Department, as a State Agency defined in the New Mexico Tort Claims Act, is insured through the Risk Management Division of the General Services Department of the State of New Mexico.

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PUBLIC EDUCATION DEPARTMENT
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NOTE 15. RISK MANAGEMENT (CONTINUED)

Annual premiums are paid by the Department to the Risk Management Division for coverage provided in the following areas:

- Liability and civil rights protection for claims made by others against the State of New Mexico;
- Coverage to protect the State of New Mexico's property and assets; and
- Fringe benefit coverage for State of New Mexico employees.

At June 30, 2014, the Department had no claims that Risk Management Division returned as not covered, which would become the responsibility of the Department. To obtain the separately issued financial statements, contact General Services Department, PO Box 26110, Santa Fe, New Mexico 87502-6110.

NOTE 16. REVERSIONS

The following activity for reversions to the State General Fund occurred during fiscal year ended June 30, 2014:

Fund	Revisions Payable June 30, 2013	Paid to State General Fund During FY 14	FY 14 Additions to Reversions Payable	Reversions Payable June 30, 2014	Paid to State General Fund During FY 15
05700	\$ 542,245	542,245	322,958	322,958	322,958
63500	672,697	672,697	-	-	-
79000	3,305,344	3,305,340	2,385,734	2,385,738	2,385,734
81800	2,276	2,276	-	-	-
85800	11,925,694	11,925,694	10,263,191	10,263,191	10,263,191
50000	911,797	911,797	-	-	-
Total	\$ 17,360,053	17,360,049	12,971,883	12,971,887	12,971,883

In accordance with statute Section 6-5-10(A) NMSA 1978, all unreserved, undesignated fund balances in reverting funds and accounts as reflected in the central accounting system as of June 30 shall revert. A total of \$17,360,049 was paid to the State General Fund during the year. \$12,971,887 is payable at June 30, 2014 and due by September 30, 2014; this payable may be adjusted within 45 days of the release of this audit by the New Mexico Office of the State Auditor.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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NOTE 17. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS

SHARE

Fund #

SPECIAL REVENUE FUNDS

- 00500 Schools in Need of Improvement. This fund is used to make school improvements to school districts in need of upgrades. This fund was created by New Mexico Legislature 22-2-C NMSA 1978. Appropriations to this fund do not revert back to another fund at the end of their appropriation period.
- 11420 K-3 Plus. The purpose of this fund is to provide funding for additional educational time for students in the kindergarten through third grade. K-3 plus shall be administered by the department and shall provide the funding for approved full-day kindergarten and grades 1-3 to be extended by at least 25 instructional days beginning up to two months earlier than the regular school year (22-13-28 NMSA 1978). Appropriations to this fund do not revert at the end of the appropriation period.
- 20160 Educational Technology Deficiency Correction. Money in the fund is appropriated for the purpose of implementing the provisions of the Technology for Education Act (NMSA 1978 § 22-15A-1). This is a state funded project (NMSA 1978 § 22-15A-8 and NMSA 1978 § 22-15A11). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 20550 School Transportation Training. The “school transportation training fund” is created in the state treasury. The fund consists of payments from school districts and charter schools for school transportation training workshops and other school transportation training described in rule provided by the public education department, income from investment of the fund and money otherwise accruing to the fund. Money in the fund shall not revert to any other fund at the end of a fiscal year (22-2-22 NMSA 1978).
- 30800 Private Grants. This fund was created to receive private education grants to enhance skills of educators and to support education initiatives to benefit students and innovation in the classroom.

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NOTE 17. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS
(CONTINUED)

SHARE
Fund #

SPECIAL REVENUE FUNDS (CONTINUED)

- 33400 Family Youth. The purpose of this fund is to provide an intermediary for students and their families at public schools to access social and health care services (NMSA 1978, 22-2D-3). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 39700 Educator Certification. Educator Certification funds are collected from application fees for certification or for renewal of certification by the Public Education Department of New Mexico. Monies in the fund are for the purpose of funding the educator background check program (NMSA 1978, § 22-10-4.1). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 45800 Adult Basic Education. The Adult Basic Education fund is used to account for all financial activities of the adult basic education program. The fund was established by an act of the New Mexico State Legislature (NMSA 1978, 22-8-30.1). Appropriations to this fund do not revert to another fund at the end of the appropriation period. Amounts were transferred to New Mexico Higher Education Department.
- 47000 Charter School Stimulus. To account for state general fund appropriations to be used to stimulate charter schools (NMSA 1978, 22-8B-14). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 51300 Pre-Kindergarten. The purpose of this fund is to address the total developmental needs of preschool children, including physical, cognitive, social and emotional needs, and shall include healthcare, nutrition, safety and multicultural sensitivity (NMSA 1978, 32A-23-4). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 56200 Professional Development. The Teacher Professional Development Fund is to provide professional development programs and projects for public school teachers (NMSA 1978, 22-8-45). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 17. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS
(CONTINUED)

SHARE
Fund #

SPECIAL REVENUE FUNDS (CONTINUED)

56800	<u>Incentive for School Improvement.</u> Incentives for School Improvement are funds from the State General Fund appropriated to the Department. The fund is used to account for financial incentives to individual schools that exceed expected academic performance (NMSA 22-2C10). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
58600	<u>Reading Materials.</u> This fund accounts for monies for the purchase of textbooks and reading materials as appropriated by New Mexico Legislature NMSA 22-15-8.2. Appropriations to this fund do not revert to another fund at the end of their appropriation period.
63300	<u>Indian Education Act.</u> To gain tribal involvement and to ensure the maintenance of native languages (NMSA 22-23A-8). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
63900	<u>Kindergarten Plus.</u> The purpose of the fund is to deposit grants and donations for the "Kindergarten Plus" pilot project. Money shall be expended in accordance with the terms of the grants and donations. Unless otherwise specified by the terms of the grant or donation, money in the fund at the end of the pilot project shall revert to the general fund. There have not been any grants and donations and in FY 07 appropriations have been returned to the Special Appropriations Fund 79000. 22-2-20 created a three-year study which was extended into a six-year study during the 2006 Legislative Session (HB 43).
66000	<u>Instructional Materials Adoption.</u> The purpose of this fund is to provide for the review and adoption of instructional materials from the collection of publishers fees (NMSA 22-15-8-1). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
66200	<u>Education Technology.</u> Education Technology are funds from the State General Fund appropriated to the Department. The fund is used to account for all financial resources of the 1994 Education Technology program. This is a state

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NOTE 17. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS
(CONTINUED)

SHARE
Fund #

SPECIAL REVENUE FUNDS (CONTINUED)

funded project (NMSA 1978, § 22-15A-1 to 22-15A-10). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

66900 School Library. To account for the replacement and purchase of new library materials (NMSA 22-15C-3). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

67200 Federal Food Services. The Federal School Food Services Flowthrough fund is used to account for federal grants to New Mexico schools for food services. The Department, as fiscal agent for the United States Department of Agriculture, is responsible for disbursing funds for such services in accordance with individual grant requirements (Title 7, Code of Federal Regulations Parts 210 and 245). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

67400 Vocational Education Flowthrough. This fund accounts for federal grant funds for vocational education. This is a non-reverting fund.

72500 Public Building Energy Efficiency Act. Public Building Energy Efficiency Act is funds from the State General Fund appropriated from the State Equalization Guarantee Fund that are distributed by the Department to participating school districts (NMSA 1978, § 6-23 and § 22-8-25). This is a reverting fund.

84400 Federal Department of Education Administration. The Federal Department Administration Flowthrough fund accounts for administrative expenses except those required to be accounted for in another fund. It is funded primarily from appropriations from grant funds. This is a non-reverting fund.

85600 Instructional Materials Flowthrough. The Instructional Material Flowthrough fund accounts for monies for the purchase of textbooks and instructional materials, as appropriated by the New Mexico Legislature, and consists of monies from receipts of the Federal Mineral Lands Leasing Act. Revenues are

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NOTE 17. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS
(CONTINUED)

SHARE
Fund #

SPECIAL REVENUE FUNDS (CONTINUED)

received in this fund by the Department, as fiscal agent, and are subsequently disbursed for the benefit of the individual schools in New Mexico (NMSA 1978, § 22-15-1 to 22-15-25). Appropriations to this fund do not revert to another fund at the end of the appropriation period.

- 85700 State Support Reserve. The State Support Reserve fund is used to augment the appropriations for the State Equalization Guarantee distribution in order to ensure to the extent of the amount undistributed in the fund that the maximum figures for such distribution established by law shall not be reduced. (NMSA 1978, § 22-8-31). Appropriations to this fund do not revert to another fund at the end of the appropriation period. State General Fund appropriations (NMSA 1978, § 22-8-14). This is a reverting fund.
- 88900 Transportation Emergency. This fund is used to make distributions of state funds to districts experiencing transportation emergencies (NMSA 1978, 28-8-29.6). Appropriations to this fund do not revert to another fund at the end of the appropriation period.
- 89000 PED American Recovery and Reinvestment Act (ARRA). The American Recovery and Reinvestment Act (ARRA) Fund was established in 2009, and is funded by the Federal government. This is a non-reverting fund.
- 89000 DVR American Recovery and Reinvestment Act (ARRA). The American Recovery and Reinvestment Act (ARRA) Fund was established in 2009, and is funded by the Federal government. This is a non-reverting fund.

CAPITAL PROJECTS FUNDS

- 10550 Special Capital Outlay - New School Development. This fund is used to supplement district funds needed to pay for supplies, equipment, and operating costs unique to the first year of operations of a new school. This fund was

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**NOTE 17. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS
(CONTINUED)**

SHARE
Fund #

CAPITAL PROJECTS FUNDS (CONTINUED)

created in the state treasury 22-8-48 NMSA 1978. Appropriations to this fund do not revert back to another fund at the end of the appropriation period. This fund had zero activity and reported zero balances on the governmental funds balance sheets; therefore, was not reported in the governmental funds balance sheets.

- 63400 Public School Capital Improvements. The Public School Capital Improvements fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Improvements Act (NMSA 1978, § 22-25-1 and 22-25-10). Funds remaining after the completion of capital projects are to be reverted.
- 63500 Public School Capital Outlay. The Public School Capital Outlay fund accounts for the proceeds from bond sales issued under the provisions of the Public School Capital Improvements Act (NMSA 1978, 5 22-24-1 and 22-254-6). Funds remaining after the completion of capital projects are to be reverted.
- 81300 Special Capital Outlay — Severance Tax Bonds (2000). The fund, established in 2000, accounts for severance tax bond proceeds appropriated for special capital outlay projects (Laws of 2000, Chapter 23, Section 16). Funds remaining after the completion of capital projects are to be reverted.
- 81600 Special Capital Outlay — Severance Tax Bonds (2004). The fund, established in 2004, accounts for severance tax bond proceeds appropriated to the Public Education Department. Funds remaining after the completion of capital projects are to be reverted.
- 81800 Special Capital Outlay — General Fund. The fund, established in 2000, accounts for general fund appropriations for special capital outlay projects (Laws of 2000, Chapter 23, Section 45). Funds remaining after the completion of capital projects are to be reverted.
- 89200 STB Capital Outlay. The Public School Capital Improvements fund accounts for the proceeds from bond sales issued under the provisions of the Public School

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**NOTE 17. NON-MAJOR SPECIAL REVENUE AND CAPITAL PROJECT FUNDS
(CONTINUED)**

SHARE
Fund #

CAPITAL PROJECTS FUNDS (CONTINUED)

Capital Improvements Act (NMSA 1978, § 22-25-1 and 22-25-10) and direct appropriations funded through Severance Tax Bonds. Funds remaining after the completion of capital projects are to be reverted.

93100 General Fund Capital Outlay. The fund accounts for direct general fund appropriations for special capital outlay projects. Funds remaining after the completion of capital projects are to be reverted.

NOTE 18. TRANSFERS IN AND TRANSFERS OUT

Interagency Transfers

From (Agency)	To (Fund)	Description	Amount
DFA (34100)	PED (05700)	FY14 General Fund Compensation Distribution	\$ 74,200
DFA (34100)	DVR (50000)	FY14 General Fund Compensation Distribution	19,300
CDHH (60400)	DVR (50000)	House Bill 2 ISF/IAT Appropriation SFY2014	466,000
DFA (34100)	PED (79000)	Special Appropriation - Laws of 2012, Chapter 19, Section 7, Item 20	450,000
DFA (34100)	PED (79000)	Special Appropriation - Laws of 2012, Chapter 19, Section 7, Item 21	200,000
Total Interagency Transfer In			\$ 1,209,500

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NOTE 18. TRANSFERS IN AND TRANSFERS OUT (CONTINUED)

From (Fund)	To (Agency)	Description	Amount
PED (84400)	DOH (66500)	Reimbursement of Expenditures for Race to the Top Program	\$ 416,551
PED (84400)	CYFD (69000)	Reimbursement of Expenditures for Race to the Top Program	2,174,668
PED (85600)	NMHED (9500)	Transfer per Laws of 2013, Chapter 227, Section 4, Item K.	<u>277,300</u>
Total Interagency Transfers Out			\$ <u>2,868,519</u>

Interfund Transfers

From Fund	To Fund	Description	Amount
PED (79000)	PED (56200)	Transfer in Accordance to Legislation (Laws of 2013, Chapter 227)	\$ <u>3,600,000</u>
Total Interfund Transfers			\$ <u>3,600,000</u>

NOTE 19. GOVERNMENTAL FUND BALANCES - RESTRICTED AND COMMITTED

The Department's fund balances represent: (1) Restricted Purposes which include balances that are legally restricted for specific purposes due to constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (2) Committed Purposes, which include balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the Legislative and Executive branches. A summary of the nature and purpose of these reserves by fund type at June 30, 2014, follows:

Fund/ Program	Laws	Committed Purpose	Restricted Purpose
General Fund:			
PED General Fund	Administratively Created	\$ 696,404	-
DVR General Fund	Administratively Created	-	<u>2,144,200</u>
Total General Fund:		<u>696,404</u>	<u>2,144,200</u>

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**NOTE 19. GOVERNMENTAL FUND BALANCES - RESTRICTED AND COMMITTED
(CONTINUED)**

Fund/ Program	Laws	Committed Purpose	Restricted Purpose
Capital Improvement Projects:			
Public School Capital Improvement	NMSA 22-25-10, 1978	\$ -	65,209
Public School Capital Outlay	NMSA 22-24-1, 1978	1,103,044	-
Special Capital Outlay Severance Tax Bonds 2000	Law of 2000, Chapter 23, Section 16	-	37,097
Special Capital Outlay Severance Tax Bonds 2004	NMSA 7-27-12, 1978	-	157,493
Special Capital Outlay Severance tax Bonds	NMSA 22-25-1 to 10, 1978	-	488,145
Special Capital Outlay- General Fund	Administratively Created	-	33,591
Total Capital Improvement Projects		1,103,044	781,535

Fund/ Program	Laws	Committed Purpose	Restricted Purpose
Special Revenue:			
Federal Department of Education Flowthrough	Title 34, Code of Federal Regulations	-	5,566,368
Special Projects	48 th Legislature, 1 st Session, Ch 28 and amended by Senate Bill 165 of 2008	-	11,133,642
Schools in Need of Improvement K-3 Plus	NMSA 22-2-10C 1978 2012, Chapter 19, Sec. 4 item 1	836,835	-
Ed Tech Deficiency Correction Fund	NMSA 22-15A-1 1978, NMSA 22-15A-8 1978, and NMSA 22-15A-11 1978	161,702	-
School Transportation Training	NMSA 22-2-22	-	26,662
Private Grants	N/A - Donor Restricted	-	466,176
Family Youth	NMSA 22-2D-3	556,727	-
Educator Certification	NMSA 22-10-4.1 1978	-	3,418,507
Charter School Stimulus	NMSA 22-8B-14 1978	14,292	-
Pre-Kindergarten	GF Appropriation Laws of 2009, Ch. 124 Section 4; HSD/PED agreement GSA #11-630-9000-0014	2,101,649	-
Professional Development	NMSA 22-8-45 1978	3,406,294	-
Incentive for School Improvement	NMSA 22-2C-10 1978	49,663	-
Reading Materials	NMSA 22-15-8.2 1978	155,564	-
Indian Education Act	NMSA 22-23A-8 1978	2,737,512	-
Kindergarten Plus	NMSA 22-20 1978	-	88,919
Instructional Materials Adoption	NMSA 22-15-8.1 1978	-	403,022
Education Technology	NMSA 22-15A-1 to 22-15A-10 1978	681,461	-
School Library	NMSA 22-15c-3 1978	125,207	-

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**NOTE 19. GOVERNMENTAL FUND BALANCES - RESTRICTED AND COMMITTED
(CONTINUED)**

<u>Fund/ Program</u>	<u>Laws</u>	<u>Committed Purpose</u>	<u>Restricted Purpose</u>
Special Revenue (Continued):			
Federal School Food Services Flowthrough	Title 7, Code of Federal Regulations Parts 210 and 245	-	618,406
Public Building Energy Efficient Act	NMSA 6-23-10 1978	-	47
Public School Support Flowthrough	NMSA 22-8-14 1978	-	5,173,607
Instructional Materials Flowthrough	NMSA 22-15-1 to 22-15-25 1978	-	7,531,406
State Support Reserve	NMSA 28-8-31 1978	1,000,000	-
Transportation Emergency	NMSA 28-8-29.6 1978	3,626,978	-
Recovery Act Funds	Administratively Created	-	184
Total Special Revenue		<u>15,453,884</u>	<u>37,990,547</u>
		<u>\$ 17,253,332</u>	<u>40,916,282</u>

NOTE 20. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

Disability Determination Services	DVR (50100)	\$ (104,425)
Public School Support Flowthrough	PED (85800)	\$ (943,282)
Adult Basic Education	PED (45800)	\$ (25,733)
Vocational Education Flowthrough	PED (67400)	\$ (22,315)
PED ARRA Fund	PED (89000)	\$ (4)
Special Capital Outlay - General Fund	PED (81800)	\$ (113,013)

The Department is addressing the negative fund balances and is planning to take the appropriate actions to eliminate the negative balances.

NOTE 21. RESTATEMENTS

During fiscal year 2014, the Department determined that a FY13 audit adjusting entry to reverse a revenue accrual related to a \$20 million legislative appropriation (Laws 2013, Chapter 191) was posted in error. During the 2013 fiscal year a payable was also booked in the amount of \$20 million. As a result of the prior auditor adjusting entry, management determined that fund balance at June 30, 2013 was understated by \$20 million. Furthermore, the prior auditor posted an adjusting entry reversing an accrual between the special projects fund (SHARE Fund

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PUBLIC EDUCATION DEPARTMENT
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June 30, 2014**

NOTE 21. RESTATEMENTS (CONTINUED)

No. 79000) and the agency fund (SHARE Fund No. 57300) in the amount of \$3,118,458 causing fund balance to be understated by \$3,118,458 in the special projects fund and overstated in the agency fund. The Department determined that the \$3,118,458 transfer between funds was appropriate per the General Appropriations Act of 2013, Page 218, Section 73. Considering such evidence, beginning fund balance in the special projects fund (SHARE Fund No. 79000) was increased by \$23,118,458.

Furthermore, as result of analysis of June 30, 2014 accounts receivable, accrued liabilities and accounts payable balances management identified that the balances were misstated as a result of activity that had occurred prior to July 1, 2013. As a result, the following funds beginning fund balances were re-stated:

PED General Fund 05700	\$ (571,157)
Special Projects 79000	(582,782)
K-3 Plus 11420	4,198
Private Grants 30800	765
Educator Certification 39700	(4,144)
Adult Basic Education 45800	(25,733)
Pre-Kindergarten 51300	30,517
Incentive for School Improvement 56800	(17,199)
Indian Education Act 63300	(39,584)
Federal Department of Education Admin 84400	208,508
Special Capital Outlay Severance Tax Bonds 2004 81600	(47,090)
Special Capital Outlay-General Fund 81800	<u>(51,245)</u>
Total	<u>\$ (1,094,946)</u>

NOTE 22. UNCERTAINTIES REGARDING VIOLATIONS OF NEW MEXICO STATE LAW

As a result of securing debt by the Horizon Academy Foundation and the Cottonwood Classical Foundation, the Horizon Academy West and Cottonwood Classical Preparatory schools, discretely presented component units of the Department, have entered into Pledge and Covenant Agreements with third party lenders to secure debt of their respective foundations. Under the terms of the debt agreement, the lender required the schools to pledge, transfer, and grant a security interest in and assign to the lender all funds, monies, grants or other distributions received by the School from the State of New Mexico. The uncertainty as to whether this is a violation of the Anti-Donation Clause of the New Mexico State Constitution Article IX, Section 14 is currently undergoing additional analysis by the Departments general counsel.

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NOTE 23. RECENT ACCOUNTING PRONOUNCEMENTS

In March 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 65, Items Previously Reported as Assets and Liabilities. This statement, which is effective for financial statements for periods beginning after December 15, 2012, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The Department adopted GASB Statement No. 65 during fiscal year 2014. The Department currently has no deferred outflows or deferred inflows of resources.

In March 2012, the GASB issued Statement No. 66, Technical Corrections – 2012 - an amendment of GASB Statements No. 10 and No. 62. This statement, which is effective for financial statements for periods beginning after December 15, 2012, amends Statement No. 10, Accounting and Financial Reporting for Risk Financing and Related Insurance Issues, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. The requirements of this Statement resolve conflicting accounting and financial reporting guidance that could diminish the consistency of financial reporting and thereby enhance the usefulness of the financial reports. The adoption of GASB Statement No. 66 had no effect on the Department's financial statements.

In June 2012, the GASB issued Statement No. 67, Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25. This statement, which is effective for financial statements for periods beginning after June 15, 2013, replaces the requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 50, Pension Disclosures, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of this Statement will improve financial reporting primarily through enhanced note disclosures and schedules of required supplementary information that will be presented by the pension plans that are within its scope. The Department is a participant in the State of New Mexico's Public Education Retirement

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NOTE 23. RECENT ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Association (PERA). PERA, as the plan's administrator, implemented this new pronouncement during fiscal year 2014.

In April 2013, the GASB issued Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. This statement, which is effective for financial statements for periods beginning after June 15, 2013, requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. The adoption of this pronouncement had no effect on the Department's financial statements.

NOTE 24. NEW ACCOUNTING PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at June 30, 2014.

- GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. Upon adoption of this statement for the year ended June 30, 2015, the Statement of Net Position will include a material liability for pension participation in fiscal year 2015.
- GASB Statement No. 69, Government Combinations and Disposals of Government Operations.
- GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68.

The Department will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The Department believes that GASB Statement No. 69 and 71 will not have a significant financial impact to Department or in issuing its financial statements.

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COMBINING BALANCE SHEETS
NON MAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Schools in Need of Improvement 00500	K-3 Plus 11420	Ed Tech Deficiency Correction Fund 20160
ASSETS			
Interest in State General Fund			
Investment Pool	\$ 836,835	9,563,162	161,702
Due from Federal Government	-	-	-
Due from Other State Agencies	-	-	-
Due from Local Education Authorities	-	-	-
Due from External Miscellaneous Parties	-	-	-
Due from Other Funds	-	-	-
Other Assets	-	-	-
Total Assets	\$ 836,835	9,563,162	161,702
LIABILITIES AND FUND BALANCES (DEFICIT)			
Accounts Payable	\$ -	5,994,432	-
Accrued Payroll and Taxes	-	5,129	-
Due to State General Fund	-	-	-
Due to Other State Agencies	-	-	-
Due to Federal Government	-	-	-
Due to Local Education Authorities	-	-	-
Unearned Revenue	-	-	-
Due to Other Funds	-	-	-
Other Liabilities	-	-	-
Total Liabilities	-	5,999,561	-
FUND BALANCES (Deficit)			
Restricted	-	3,563,601	-
Committed	836,835	-	161,702
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	836,835	3,563,601	161,702
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 836,835	9,563,162	161,702

School Transportation Training 20550	Private Grants 30800	Family Youth 33400	Educator Certification 39700	Adult Basic Education 45800	Charter School Stimulus 47000
26,462	756,103	556,727	3,574,186	122,565	14,292
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,835	-	-
200	-	-	-	-	-
-	-	-	761	-	-
26,662	756,103	556,727	3,576,782	122,565	14,292
-	284,623	-	142,533	-	-
-	1,467	-	15,742	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	148,298	-
-	-	-	-	-	-
-	3,837	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	289,927	-	158,275	148,298	-
26,662	466,176	-	3,418,507	-	-
-	-	556,727	-	-	14,292
-	-	-	-	(25,733)	-
26,662	466,176	556,727	3,418,507	(25,733)	14,292
26,662	756,103	556,727	3,576,782	122,565	14,292

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COMBINING BALANCE SHEETS
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2014

	Pre- Kindergarten 51300	Professional Development 56200	Incentive for School Improvement 56800
ASSETS			
Interest in State General Fund			
Investment Pool	\$ 7,286,060	4,813,136	49,663
Due from Federal Government	-	-	-
Due from Other State Agencies	2,329	-	-
Due from local Education Authorities	-	-	-
Due from External Miscellaneous Parties	-	-	-
Due from Other Funds	-	-	-
Other Assets	-	-	-
Total Assets	\$ 7,288,389	4,813,136	49,663
LIABILITIES AND FUND BALANCES (DEFICIT)			
Accounts Payable	\$ 4,794,373	1,402,837	-
Accrued Payroll and Taxes	4,702	-	-
Due to State General Fund	-	-	-
Due to Other State Agencies	-	-	-
Due to Federal Government	-	-	-
Due to Local Education Authorities	-	-	-
Unearned Revenue	-	-	-
Due to Other Funds	-	4,005	-
Other Liabilities	387,665	-	-
Total Liabilities	5,186,740	1,406,842	-
FUND BALANCES (Deficit)			
Restricted	-	-	-
Committed	2,101,649	3,406,294	49,663
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	2,101,649	3,406,294	49,663
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 7,288,389	4,813,136	49,663

Reading Materials 58600	Indian Education Act 63300	Kindergarten Plus 63900	Instructional Materials Adoption 66000	Education Technology 66200	School Library 66900
155,564	3,520,919	88,919	412,736	681,461	125,207
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
155,564	3,520,919	88,919	412,736	681,461	125,207
-	778,216	-	9,714	-	-
-	4,799	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	392	-	-	-	-
-	783,407	-	9,714	-	-
-	-	88,919	403,022	-	-
155,564	2,737,512	-	-	681,461	125,207
-	-	-	-	-	-
155,564	2,737,512	88,919	403,022	681,461	125,207
155,564	3,520,919	88,919	412,736	681,461	125,207

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING BALANCE SHEETS
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2014

	Federal Food Services 67200	Vocational Education Flow Through 67400	Public Building Energy Efficiency Act 72500
ASSETS			
Interest in State General Fund			
Investment Pool	\$ 92,648	540,875	47
Due from Federal Government	2,027,503	2,601,188	-
Due from Other State Agencies	52,147	-	-
Due from Local Education Authorities	-	-	-
Due from External Miscellaneous Parties	36,445	20	-
Due from Other Funds	-	186,187	-
Other Assets	-	-	-
Total Assets	\$ 2,208,743	3,328,270	47
LIABILITIES AND FUND BALANCES (DEFICIT)			
Accounts Payable	\$ 1,240,194	2,876,173	-
Accrued Payroll and Taxes	-	-	-
Due to State General Fund	-	-	-
Due to Other State Agencies	15,993	-	-
Due to Federal Government	142,720	952,833	-
Due to Local Education Authorities	-	-	-
Unearned Revenue	-	-	-
Due to Other Funds	186,187	-	-
Other Liabilities	5,243	21,579	-
Total Liabilities	1,590,337	3,850,585	-
FUND BALANCES (Deficit)			
Restricted	618,406	-	47
Committed	-	-	-
Unassigned (Deficit)	-	(522,315)	-
Total Fund Balances (Deficit)	618,406	(522,315)	47
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 2,208,743	3,328,270	47

Federal Department of Education Admin 84400	Instructional Materials Flow Through 85600	State Support Reserve 85700	Transportation Emergency 88900	PED ARRA Fund 89000	DVR ARRA Fund 89000
6,031,290	7,706,062	1,000,000	3,627,178	2,348	874
8,095,659	-	-	-	241,981	-
-	-	-	-	-	-
8,549	-	-	-	-	-
-	-	-	-	-	-
4,005	-	-	-	-	-
-	-	-	-	-	-
14,139,503	7,706,062	1,000,000	3,627,178	244,329	874
6,085,554	174,656	-	-	242,762	-
109,916	-	-	-	-	-
-	-	-	-	-	-
1,702,278	-	-	-	-	-
250,780	-	-	-	22	690
28,362	-	-	-	1,549	-
267,758	-	-	-	-	-
-	-	-	200	-	-
521,248	-	-	-	-	-
8,965,896	174,656	-	200	244,333	690
5,173,607	7,531,406	-	-	-	184
-	-	1,000,000	3,626,978	-	-
-	-	-	-	(4)	-
5,173,607	7,531,406	1,000,000	3,626,978	(4)	184
14,139,503	7,706,062	1,000,000	3,627,178	244,329	874

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING BALANCE SHEETS
NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
June 30, 2014

	Public School Capital Improvements 63400	Public School Capital Outlay 63500	Special Capital Outlay Severance Tax Bonds 2000 81300
ASSETS			
Interest in State General Fund			
Investment Pool	\$ 4,811,243	1,103,044	37,097
Due from Federal Government	-	-	-
Due from Other State Agencies	-	-	-
Due from Local Education Authorities	-	-	-
Due from External Miscellaneous Parties	-	-	-
Due from Other Funds	-	-	-
Other Assets	-	-	-
Total Assets	\$ 4,811,243	1,103,044	37,097
LIABILITIES AND FUND BALANCES (DEFICIT)			
Accounts Payable	4,048	-	-
Accrued Payroll and Taxes	-	-	-
Due to State General Fund	-	-	-
Due to Other State Agencies	122,024	-	-
Due to Federal Government	-	-	-
Due to Local Education Authorities	379,654	-	-
Unearned Revenue	-	-	-
Due to Other Funds	-	-	-
Other Liabilities	4,240,308	-	-
Total Liabilities	4,746,034	-	-
FUND BALANCES (Deficit)			
Restricted	65,209	-	37,097
Committed	-	1,103,044	-
Unassigned (Deficit)	-	-	-
Total Fund Balances (Deficit)	65,209	1,103,044	37,097
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	\$ 4,811,243	1,103,044	37,097

Special Capital Outlay Severance Tax Bonds 2004 81600	Special Capital Outlay - General Fund 81800	STB Capital Outlay 89200	GF Capital Outlay 93100	Total Governmental Funds
165,768	100,215	1,285,305	88,449	59,338,142
-	-	-	-	12,966,331
403,478	-	13,767,371	-	14,225,325
-	-	-	-	8,549
-	-	-	-	38,300
-	-	-	-	190,392
-	7,350	-	-	8,111
569,246	107,565	15,052,676	88,449	86,775,150
387,414	-	14,564,531	54,858	39,036,918
-	-	-	-	141,755
-	-	-	-	-
24,339	-	-	-	1,864,634
-	-	-	-	1,495,343
-	-	-	-	409,565
-	175,902	-	-	447,497
-	-	-	-	190,392
-	44,676	-	-	5,221,111
411,753	220,578	14,564,531	54,858	48,807,215
157,493	-	488,145	33,591	22,072,072
-	-	-	-	16,556,928
-	(113,013)	-	-	(661,065)
157,493	(113,013)	488,145	33,591	37,967,935
569,246	107,565	15,052,676	88,449	86,775,150

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - NON MAJOR GOVERNMENTAL FUNDS
Fiscal Year Ended June 30, 2014

	Schools in Need of Improvement 00500	K-3 Plus 11420	Ed Tech Deficiency Correction Fund 20160
REVENUES:			
Federal Grants	\$ -	-	-
Other Revenue	532	4,114	-
Total Revenues	532	4,114	-
EXPENDITURES:			
Current:			
Education	-	15,639,661	-
Total Expenditures	-	15,639,661	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	532	(15,635,547)	-
OTHER FINANCING SOURCES (USES):			
State General Fund Appropriations	-	15,950,000	-
Appropriations Funded with State Severance Bond Proceeds	-	-	-
Transfers in:			
Interfund	-	-	-
Transfers out:			
Other	-	-	-
Total other Financing Sources (uses):	-	15,950,000	-
NET CHANGES IN FUND BALANCES	532	314,453	-
FUND BALANCES (DEFICIT)- BEGINNING OF YEAR	836,303	3,244,950	161,702
RESTATEMENT (NOTE 21)	-	4,198	-
FUND BALANCES (DEFICIT)- BEGINNING OF YEAR AS RESTATED	836,303	3,249,148	161,702
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 836,835	3,563,601	161,702

School Transportation Training 20550	Private Grants 30800	Family Youth 33400	Educator Certification 39700	Adult Basic Education 45800	Charter School Stimulus 47000
-	-	-	-	-	-
26,662	575,542	354	1,671,750	-	-
26,662	575,542	354	1,671,750	-	-
-	611,595	-	1,065,272	-	-
-	611,595	-	1,065,272	-	-
26,662	(36,053)	354	606,478	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
26,662	(36,053)	354	606,478	-	-
-	501,464	556,373	2,816,173	-	14,292
-	765	-	(4,144)	(25,733)	-
-	502,229	556,373	2,812,029	(25,733)	14,292
26,662	466,176	556,727	3,418,507	(25,733)	14,292

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
Fiscal Year Ended June 30, 2014

	Pre-Kindergarten 51300	Professional Development 56200	Incentive for School Improvement 56800
REVENUES:			
Federal Grants	\$ -	-	-
Other Revenue	113,107	290	45,411
Total Revenues	113,107	290	45,411
EXPENDITURES:			
Current:			
Education	14,020,816	2,963,659	-
Total expenditures	14,020,816	2,963,659	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,907,709)	(2,963,369)	45,411
OTHER FINANCING SOURCES (USES):			
State General Fund Appropriations	14,950,000	2,500,000	-
Appropriations Funded with State Severance Bond Proceeds	-	-	-
Transfers in:			
Interfund	-	3,600,000	-
Transfers out:			
Other	-	-	-
Total other financing sources (uses):	14,950,000	6,100,000	-
NET CHANGES IN FUND BALANCES	1,042,291	3,136,631	45,411
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	1,028,841	269,663	21,451
RESTATEMENT (NOTE 21)	30,517	-	(17,199)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR AS RESTATED	1,059,358	269,663	4,252
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 2,101,649	3,406,294	49,663

Reading Materials 58600	Indian Education Act 63300	Kindergarten Plus 63900	Instructional Materials Adoption 66000	Education Technology 66200	School Library 66900
-	-	-	-	-	-
-	316,701	56	152,517	2,756	101
-	316,701	56	152,517	2,756	101
-	2,394,288	-	10,141	-	-
-	2,394,288	-	10,141	-	-
-	(2,077,587)	56	142,376	2,756	101
-	1,824,600	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,824,600	-	-	-	-
-	(252,987)	56	142,376	2,756	101
155,564	3,030,083	88,863	260,646	678,705	125,106
-	(39,584)	-	-	-	-
155,564	2,990,499	88,863	260,646	678,705	125,106
155,564	2,737,512	88,919	403,022	681,461	125,207

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
Fiscal Year Ended June 30, 2014

	Federal Food Services 67200	Vocational Education Flow Through 67400	Public Building Energy Efficiency Act 72500
REVENUES:			
Federal Grants	\$ 131,857,381	6,552,517	-
Other Revenue	52,147	128	-
Total Revenues	<u>131,909,528</u>	<u>6,552,645</u>	<u>-</u>
EXPENDITURES:			
Current:			
Education	131,936,614	6,552,645	282,025
Total expenditures	<u>131,936,614</u>	<u>6,552,645</u>	<u>282,025</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(27,086)</u>	<u>-</u>	<u>(282,025)</u>
OTHER FINANCING SOURCES (USES):			
State General Fund Appropriations	-	-	282,025
Appropriations Funded with State Severance Bond Proceeds	-	-	-
Transfers in:			
Interfund	-	-	-
Transfers out:			
Other	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>282,025</u>
NET CHANGES IN FUND BALANCES	<u>(27,086)</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>645,492</u>	<u>(522,315)</u>	<u>47</u>
RESTATEMENT (NOTE 21)	-	-	-
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR AS RESTATED	<u>645,492</u>	<u>(522,315)</u>	<u>47</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 618,406</u>	<u>(522,315)</u>	<u>47</u>

Federal Department of Education Admin 84400	Instructional Materials Flow Through 85600	State Support Reserve 85700	Transportation Emergency 88900	PED ARRA Fund 89000	DVR ARRA Fund 89000
27,884,203	-	-	-	689,456	-
371,986	149,069	-	574,532	23	-
<u>28,256,189</u>	<u>149,069</u>	<u>-</u>	<u>574,532</u>	<u>689,479</u>	<u>-</u>
26,117,484	20,678,309	-	-	689,483	-
<u>26,117,484</u>	<u>20,678,309</u>	<u>-</u>	<u>-</u>	<u>689,483</u>	<u>-</u>
2,138,705	(20,529,240)	-	574,532	(4)	-
-	24,475,800	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(2,591,219)	(277,300)	-	-	-	-
<u>(2,591,219)</u>	<u>24,198,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(452,514)	3,669,260	-	574,532	(4)	-
5,417,613	3,862,146	1,000,000	3,052,446	-	184
208,508	-	-	-	-	-
5,626,121	3,862,146	1,000,000	3,052,446	-	184
5,173,607	7,531,406	1,000,000	3,626,978	(4)	184

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES (DEFICIT) - NON MAJOR GOVERNMENTAL FUNDS (CONTINUED)
Fiscal Year Ended June 30, 2014

	Public School Capital Improvements 63400	Public School Capital Outlay 63500	Special Capital Outlay Severance Tax Bonds 2000 81300
REVENUES:			
Federal Grants	\$ -	-	-
Other Revenue	122	-	-
Total Revenues	122	-	-
EXPENDITURES:			
Current:			
Education	74,336	-	-
Total expenditures	74,336	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(74,214)	-	-
OTHER FINANCING SOURCES (USES):			
State General Fund Appropriations	-	-	-
Appropriations Funded with State Severance Bond Proceeds	74,337	-	-
Transfers in:			
Interfund	-	-	-
Transfers out:			
Other	-	-	-
Total other financing sources (uses):	74,337	-	-
NET CHANGES IN FUND BALANCES	123	-	-
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	65,086	1,103,044	37,097
RESTATEMENT (NOTE 21)	-	-	-
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR AS RESTATED	65,086	1,103,044	37,097
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 65,209	1,103,044	37,097

Special Capital Outlay Severance Tax Bonds 2004 81600	Special Capital Outlay-General Fund 81800	STB Capital Outlay 89200	GF Capital Outlay 93100	Total Governmental Funds
-	-	-	-	166,983,557
5,723	-	-	-	4,063,623
5,723	-	-	-	171,047,180
994,027	12,430	39,268,259	54,858	263,365,902
994,027	12,430	39,268,259	54,858	263,365,902
(988,304)	(12,430)	(39,268,259)	(54,858)	(92,318,722)
-	-	-	-	59,982,425
1,125,117	-	39,337,581	-	40,537,035
-	-	-	-	3,600,000
-	-	-	-	(2,868,519)
1,125,117	-	39,337,581	-	101,250,941
136,813	(12,430)	69,322	(54,858)	8,932,219
67,770	(49,338)	418,823	88,449	28,976,723
(47,090)	(51,245)	-	-	58,993
20,680	(100,583)	418,823	88,449	29,035,716
157,493	(113,013)	488,145	33,591	37,967,935

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Schools in Need of Improvement 00500
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	532	532
Total Revenues	<u>-</u>	<u>-</u>	<u>532</u>	<u>532</u>
Expenditures:				
Education:				
Personal Services & Employee				
Benefits	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>532</u>	<u>532</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
K-3 Plus 11420
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 15,950,000	15,950,000	15,950,000	-
Other Revenue	-	-	4,114	4,114
Budgeted Fund Balance	-	3,244,950	-	(3,244,950)
Total Revenues	<u>15,950,000</u>	<u>19,194,950</u>	<u>15,954,114</u>	<u>(3,240,836)</u>
Expenditures:				
Education:				
Personal Services & Employee				
Benefits	195,000	195,000	161,064	33,936
Contractual Services	443,000	443,000	387,939	55,061
Other	15,312,000	18,556,950	15,090,658	3,466,292
Total Expenditures	<u>15,950,000</u>	<u>19,194,950</u>	<u>15,639,661</u>	<u>3,555,289</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>314,453</u>	<u>314,453</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 School Transportation Training 20550
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	26,662	26,662
Total Revenues	-	-	26,662	26,662
Expenditures:				
Education:				
Personal Services & Employee				
Benefits	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	26,662	26,662

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
Private Grants 30800
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	1,710,000	575,542	(1,134,458)
Budgeted Fund Balance	-	412,403	-	(412,403)
Total Revenues	-	2,122,403	575,542	(1,546,861)
Expenditures:				
Education:				
Personal Services & Employee Benefits	-	259,461	14,492	244,969
Contractual Services	-	1,722,518	580,628	1,141,890
Other	-	140,424	16,475	123,949
Total Expenditures	-	2,122,403	611,595	1,510,808
NET CHANGE IN FUND BALANCE	\$ -	-	(36,053)	(36,053)

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Family Youth 33400
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	354	354
Total Revenues	<u>-</u>	<u>-</u>	<u>354</u>	<u>354</u>
Expenditures:				
Education:				
Personal Services & Employee Benefits	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>354</u>	<u>354</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
Educator Certification 39700
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ 1,661,400	1,661,400	1,671,750	10,350
Total Revenues	<u>1,661,400</u>	<u>1,661,400</u>	<u>1,671,750</u>	<u>10,350</u>
Expenditures:				
Education:				
Personal Services & Employee				
Benefits	764,600	764,600	599,145	165,455
Contractual Services	464,200	464,200	339,683	124,517
Other	432,600	432,600	126,444	306,156
Total Expenditures	<u>1,661,400</u>	<u>1,661,400</u>	<u>1,065,272</u>	<u>596,128</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>606,478</u>	<u>606,478</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
Pre-Kindergarten 51300
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 14,950,000	14,950,000	14,950,000	-
Other Revenue	-	-	113,107	113,107
Total Revenues	<u>14,950,000</u>	<u>14,950,000</u>	<u>15,063,107</u>	<u>113,107</u>
Expenditures:				
Education:				
Personal Services & Employee Benefits	217,000	217,000	182,096	34,904
Contractual Services	14,718,000	14,718,000	13,832,923	885,077
Other	15,000	15,000	5,797	9,203
Total Expenditures	<u>14,950,000</u>	<u>14,950,000</u>	<u>14,020,816</u>	<u>929,184</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>1,042,291</u>	<u>1,042,291</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Professional Development 56200
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ -	-	2,500,000	2,500,000
Other Revenue	-	-	290	290
Other Financing Sources	<u>3,600,000</u>	<u>3,600,000</u>	<u>3,600,000</u>	<u>-</u>
Total Revenues	<u>3,600,000</u>	<u>3,600,000</u>	<u>6,100,290</u>	<u>2,500,290</u>
Expenditures:				
Education:				
Contractual Services	1,400,000	1,400,000	1,389,449	10,551
Other	<u>2,200,000</u>	<u>2,200,000</u>	<u>1,574,210</u>	<u>625,790</u>
Total Expenditures	<u>3,600,000</u>	<u>3,600,000</u>	<u>2,963,659</u>	<u>636,341</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>3,136,631</u>	<u>3,136,631</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Incentive for School Improvement 56800
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	45,411	45,411
Total Revenues	-	-	45,411	45,411
Expenditures:				
Education:				
Other	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	45,411	45,411

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
Indian Education Act 63300
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 1,824,600	1,824,600	1,824,600	-
Other Revenue	-	300,000	316,701	16,701
Budgeted Fund Balance	-	970,000	-	(970,000)
Total Revenues	<u>1,824,600</u>	<u>3,094,600</u>	<u>2,141,301</u>	<u>(953,299)</u>
Expenditures:				
Education:				
Personal Services & Employee Benefits	333,500	333,500	135,843	197,657
Contractual Services	1,380,000	2,410,000	1,942,720	467,280
Other	111,100	351,100	315,725	35,375
Total Expenditures	<u>1,824,600</u>	<u>3,094,600</u>	<u>2,394,288</u>	<u>700,312</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(252,987)</u>	<u>(252,987)</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Kindergarten Plus 63900
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	56	56
Total Revenues	-	-	56	56
Expenditures:				
Education:				
Personal Services & Employee Benefits	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Expenditures	-	-	-	-
NET CHANGE IN FUND BALANCE	\$ -	-	56	56

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Instructional Materials Adoption 66000
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	152,517	152,517
Budgeted Fund Balance	-	238,000	-	(238,000)
Total Revenues	-	238,000	152,517	(85,483)
Expenditures:				
Education:				
Contractual Services	-	232,000	9,579	222,421
Other	-	6,000	562	5,438
Total Expenditures	-	238,000	10,141	227,859
NET CHANGE IN FUND BALANCE	\$ -	-	142,376	142,376

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Education Technology Fund 66200
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	2,756	2,756
Total Revenues	<u>-</u>	<u>-</u>	<u>2,756</u>	<u>2,756</u>
Expenditures:				
Education:				
Personal Services & Employee Benefits	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>2,756</u>	<u>2,756</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 School Library 66900
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	101	101
Total Revenues	<u>-</u>	<u>-</u>	<u>101</u>	<u>101</u>
Expenditures:				
Education:				
Personal Services & Employee				
Benefits	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>101</u>	<u>101</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Federal Food Services 67200
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ 151,498,934	151,498,934	131,857,381	(19,641,553)
Other Revenue	-	-	52,147	52,147
Total Revenues	<u>151,498,934</u>	<u>151,498,934</u>	<u>131,909,528</u>	<u>(19,589,406)</u>
Expenditures:				
Education:				
Other	151,498,934	151,498,934	131,936,614	19,562,320
Total Expenditures	<u>151,498,934</u>	<u>151,498,934</u>	<u>131,936,614</u>	<u>19,562,320</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(27,086)</u>	<u>(27,086)</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Vocational Education Flowthrough 67400
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ 7,308,000	7,308,000	6,552,517	(755,483)
Other Revenue	-	-	128	128
Total Revenues	<u>7,308,000</u>	<u>7,308,000</u>	<u>6,552,645</u>	<u>(755,355)</u>
Expenditures:				
Education:				
Other	<u>7,308,000</u>	<u>7,308,000</u>	<u>6,552,645</u>	<u>755,355</u>
Total Expenditures	<u>7,308,000</u>	<u>7,308,000</u>	<u>6,552,645</u>	<u>755,355</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Public Building Energy Efficiency Act 72500
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 282,025	282,025	282,025	-
Total Revenues	<u>282,025</u>	<u>282,025</u>	<u>282,025</u>	<u>-</u>
Expenditures:				
Education:				
Other	282,025	282,025	282,025	-
Total Expenditures	<u>282,025</u>	<u>282,025</u>	<u>282,025</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
Federal Department of Education Administration 84400
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ 28,113,709	40,613,709	27,884,203	(12,729,506)
Other Revenue	-	-	371,986	371,986
Total Revenues	<u>28,113,709</u>	<u>40,613,709</u>	<u>28,256,189</u>	<u>(12,357,520)</u>
Expenditures:				
Education:				
Personal Services & Employee				
Benefits	7,096,600	7,096,600	4,166,248	2,930,352
Contractual Services	17,083,200	18,583,200	18,580,942	2,258
Other	3,933,909	3,933,909	3,370,294	563,615
Other Financing Uses	-	11,000,000	2,591,219	8,408,781
Total Expenditures	<u>28,113,709</u>	<u>40,613,709</u>	<u>28,708,703</u>	<u>11,905,006</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(452,514)</u>	<u>(452,514)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
Instructional Materials Flowthrough 85600
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State General Fund Appropriations	\$ 20,975,800	20,975,800	24,475,800	3,500,000
Other Revenue	-	-	149,069	149,069
Budgeted Fund Balance	-	1,958,000	-	(1,958,000)
Total Revenues	<u>20,975,800</u>	<u>22,933,800</u>	<u>24,624,869</u>	<u>1,691,069</u>
Expenditures:				
Education:				
Other	20,698,500	22,656,500	20,678,309	1,978,191
Other Financing Uses	277,300	277,300	277,300	-
Total Expenditures	<u>20,975,800</u>	<u>22,933,800</u>	<u>20,955,609</u>	<u>1,978,191</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>3,669,260</u>	<u>3,669,260</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Transportation Emergency Fund 88900
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	574,532	574,532
Total Revenues	<u>-</u>	<u>-</u>	<u>574,532</u>	<u>574,532</u>
Expenditures:				
Education:				
Personal Services & Employee Benefits	-	-	-	-
Contractual Services	-	-	-	-
Other	-	-	-	-
Other Financing Uses	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>574,532</u>	<u>574,532</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
PED ARRA Fund 89000
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ 804,477	804,477	689,456	(115,021)
Other Revenue	-	-	23	23
Total Revenues	<u>804,477</u>	<u>804,477</u>	<u>689,479</u>	<u>(114,998)</u>
Expenditures:				
Education:				
Contractual Services	228,877	228,877	151,726	77,151
Other	575,600	575,600	537,757	37,843
Total Expenditures	<u>804,477</u>	<u>804,477</u>	<u>689,483</u>	<u>114,994</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(4)</u>	<u>(4)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
Public School Capital Improvements 63400
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Revenue	\$ -	-	122	122
Other Financing Sources	958,942	958,942	74,337	(884,605)
Total Revenues	<u>958,942</u>	<u>958,942</u>	<u>74,459</u>	<u>(884,483)</u>
Expenditures:				
Education:				
Other	958,942	958,942	74,336	884,606
Total Expenditures	<u>958,942</u>	<u>958,942</u>	<u>74,336</u>	<u>884,606</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>123</u>	<u>123</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Special Capital Outlay Severance Tax Bonds 2004 81600
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Other Revenue	\$ -	-	5,723	5,723
Other Financing Sources	1,454,420	1,454,420	1,125,117	(329,303)
Total Revenues	1,454,420	1,454,420	1,130,840	(323,580)
Expenditures:				
Education:				
Other	1,454,420	1,454,420	994,027	460,393
Total Expenditures	1,454,420	1,454,420	994,027	460,393
NET CHANGE IN FUND BALANCE	\$ -	-	136,813	136,813

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 Special Capital Outlay-General Fund 81800
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ -	-	-	-
State General Fund Appropriations	-	-	-	-
Other Revenue	-	-	-	-
Other Financing Sources	64,178	64,178	-	(64,178)
Total Revenues	<u>64,178</u>	<u>64,178</u>	<u>-</u>	<u>(64,178)</u>
Expenditures:				
Education:				
Other	64,178	64,178	12,430	51,748
Total Expenditures	<u>64,178</u>	<u>64,178</u>	<u>12,430</u>	<u>51,748</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(12,430)</u>	<u>(12,430)</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
 Budget and Actual - Modified Accrual Basis - Non Major Funds
 STB Capital Outlay 89200
 Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Other Financing Sources	\$ 61,970,258	61,970,258	39,337,581	(22,632,677)
Total Revenues	<u>61,970,258</u>	<u>61,970,258</u>	<u>39,337,581</u>	<u>(22,632,677)</u>
Expenditures:				
Education:				
Other	61,970,258	61,970,258	39,268,259	22,701,999
Total Expenditures	<u>61,970,258</u>	<u>61,970,258</u>	<u>39,268,259</u>	<u>22,701,999</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>69,322</u>	<u>69,322</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Budget and Actual - Modified Accrual Basis - Non Major Funds
GF Capital Outlay 93100
Fiscal Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Funds	\$ -	-	-	-
State General Fund Appropriations	-	-	-	-
Other Revenue	-	-	-	-
Other Financing Sources	63,612	63,612	-	(63,612)
Total Revenues	<u>63,612</u>	<u>63,612</u>	<u>-</u>	<u>(63,612)</u>
Expenditures:				
Education:				
Other	63,612	63,612	54,858	8,754
Total Expenditures	<u>63,612</u>	<u>63,612</u>	<u>54,858</u>	<u>8,754</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>-</u>	<u>(54,858)</u>	<u>(54,858)</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF NET POSITION
PUBLIC EDUCATION DEPARTMENT ONLY
(Without the Division of Vocational Rehabilitation)
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS:	
Investment in State General Fund Investment Pool	\$ 97,553,461
Due from Federal Government	158,951,034
Due from Other State Agencies	14,227,870
Due from to Local Education Authorities	321,617
Due from External Miscellaneous Parties	38,300
Due from Agency Fund	3,118,458
Other Assets	16,337
Total Current Assets	<u>274,227,077</u>
NON-CURRENT ASSETS:	
Capital Assets	4,447,542
Accumulated Depreciation	(4,340,122)
Total Non-Current Assets	<u>107,420</u>
Total Assets	<u>274,334,497</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	185,128,289
Accrued Payroll and Taxes	409,978
Interest in State General Fund	
Investment Pool-Overdraft	180,671
Due to State General Fund	12,971,883
Due to Other State Agencies	1,970,254
Due to Federal Government	2,850,325
Due to Local Education Authorities	10,414,948
Unearned Revenue	447,497
Compensated Absences - Due Within One Year	662,377
Other Current Liabilities	5,432,349
TOTAL CURRENT LIABILITIES	<u>220,468,571</u>
NET POSITION	
Investment in Capital Assets	107,420
Restricted	38,771,898
Unrestricted	14,986,608
TOTAL NET POSITION	<u>\$ 53,865,926</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF ACTIVITIES
PUBLIC EDUCATION DEPARTMENT ONLY
(Without the Division of Vocational Rehabilitation)
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES:					
Education	\$ 3,009,492,788	6,427,268	397,772,119	-	(2,605,293,401)
Total Primary Government	\$ 3,009,492,788	6,427,268	397,772,119	-	(2,605,293,401)
GENERAL REVENUES AND TRANSFERS:					
					\$ 2,517,746,000
State general fund - general appropriations					56,829,900
State general fund - special appropriations					40,537,035
Bond proceeds appropriations					724,200
Transfers in - other					(2,868,519)
Transfers out - other					(12,648,925)
Transfers out - State General fund reversions - FY14					
TOTAL GENERAL REVENUES AND TRANSFERS					2,600,319,691
CHANGE IN NET POSTION					(4,973,710)
NET POSITION, BEGINNING					36,816,124
RESTATEMENT (NOTE 21)					22,023,512
NET POSITION, BEGINNING AS RESTATED					58,839,636
NET POSTION, ENDING					\$ 53,865,926

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF NET POSITION
DIVISION OF VOCATIONAL REHABILITATION ONLY
June 30, 2014

	<u>Governmental Activities</u>
ASSETS	
CURRENT ASSETS:	
Investment in State General Fund Investment Pool	\$ 9,390,301
Due from Federal Government	2,009,376
Other Assets	10,552
Total Current Assets	<u>11,410,229</u>
NON-CURRENT ASSETS:	
Capital Assets	1,075,690
Accumulated Depreciation	(912,536)
Total Non-Current Assets	<u>163,154</u>
Total Assets	<u>11,573,383</u>
LIABILITIES	
CURRENT LIABILITIES:	
Accounts Payable	6,573,016
Accrued Payroll and Taxes	381,015
Interest in State General Fund	
Investment Pool-Overdraft	128,096
Due to Federal Government	235,798
Unearned Revenue	2,052,355
Funds Held for Others	
Compensated Absences - Due Within One Year	579,655
TOTAL CURRENT LIABILITIES	<u>9,949,935</u>
NET POSITION	
Investment in Capital Assets	163,154
Restricted	2,144,374
Unrestricted (Deficit)	(684,080)
TOTAL NET POSITION	<u>\$ 1,623,448</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF ACTIVITIES
DIVISION OF VOCATIONAL REHABILITATION ONLY
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Governmental Activities
PRIMARY GOVERNMENT					
GOVERNMENTAL ACTIVITIES:					
Health and Welfare	\$ 32,563,815	311,452	26,615,768	-	(5,636,595)
Total Primary Government	\$ 32,563,815	311,452	26,615,768	-	(5,636,595)
GENERAL REVENUES AND TRANSFERS:					
				\$ 5,616,700	
				485,300	
					6,102,000
CHANGE IN NET POSTION					
					465,405
NET POSITION, BEGINNING					
					1,158,043
NET POSTION, ENDING					
				\$ 1,623,448	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING BALANCE SHEETS - GOVERNMENTAL FUNDS
DIVISION OF VOCATIONAL REHABILITATION ONLY
June 30, 2014

	DVR General Fund 50000	Disability Determination Services 50100	DVR Recovery Act 89000	Total Governmental Funds
ASSETS				
Interest in State General Fund				
Investment Pool	\$ 9,389,427	-	874	9,390,301
Due From Federal Government	1,481,102	528,274	-	2,009,376
Other Assets	10,552	-	-	10,552
Total Assets	\$ 10,881,081	528,274	874	11,410,229
Accounts Payable	\$ 6,193,440	379,576	-	6,573,016
Accrued Payroll and Taxes	259,611	121,404	-	381,015
Interest in State General Fund				
Investment Pool-overdraft	-	128,096	-	128,096
Due to Federal Government	235,067	41	690	235,798
Unearned Revenue	2,048,773	3,582	-	2,052,355
Total Liabilities	8,736,891	632,699	690	9,370,280
FUND BALANCES (DEFICIT)				
Restricted	2,144,190	-	184	2,144,374
Unassigned (Deficit)	-	(104,425)	-	(104,425)
Total Fund Balances (Deficit)	2,144,190	(104,425)	184	2,039,949
TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)	\$ 10,881,081	528,274	874	11,410,229

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 RECONCILIATION OF THE COMBINING BALANCE SHEETS -
 GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
 DIVISION OF VOCATIONAL REHABILITATION ONLY
 June 30, 2014

	<u>Governmental Activities</u>
Total Fund Balance - Governmental Funds (Governmental Fund Balance Sheet - Division of Vocational Rehabilitation Only)	\$ 2,039,949

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	1,075,690	
Accumulated Depreciation	<u>(912,536)</u>	
Total Capital Assets		163,154

Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund:

Compensated absences - due within one year		<u>(579,655)</u>
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Net Position of Governmental Activities (Statement of Net Position - Division of Vocational Rehabilitation Only)	<u>\$ 1,623,448</u>
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
DIVISION OF VOCATIONAL REHABILITATION ONLY
For the Year Ended June 30, 2014

	DVR General Fund 50000	Disability Determination Services 50100	DVR Recovery Act Funds 89000	Total Governmental Funds
REVENUES:				
Federal Grants	\$ 17,301,655	9,314,113	-	26,615,768
Other Revenue	309,656	1,796	-	311,452
Total Revenues	<u>17,611,311</u>	<u>9,315,909</u>	<u>-</u>	<u>26,927,220</u>
EXPENDITURES:				
Current:				
Health and Welfare	23,364,699	9,293,655	-	32,658,354
Capital outlay	110,378	-	-	110,378
Total Expenditures	<u>23,475,077</u>	<u>9,293,655</u>	<u>-</u>	<u>32,768,732</u>
(DEFICIENCY) EXCESS OF REVENUES (UNDER) OVER EXPENDITURES	<u>(5,863,766)</u>	<u>22,254</u>	<u>-</u>	<u>(5,841,512)</u>
OTHER FINANCING SOURCES (USES):				
State general fund appropriations	5,616,700	-	-	5,616,700
Transfers in:				
Other	485,300	-	-	485,300
Total other Financing Sources (uses):	<u>6,102,000</u>	<u>-</u>	<u>-</u>	<u>6,102,000</u>
NET CHANGES IN FUND BALANCES	<u>238,234</u>	<u>22,254</u>	<u>-</u>	<u>260,488</u>
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>1,905,956</u>	<u>(126,679)</u>	<u>184</u>	<u>1,779,461</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 2,144,190</u>	<u>(104,425)</u>	<u>184</u>	<u>2,039,949</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 RECONCILIATION OF COMBINING STATEMENTS OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICIT)
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 DIVISION OF VOCATIONAL REHABILITATION ONLY
 For the Year Ended June 30, 2014

	<u>Governmental Activities</u>
Net Change in Fund Balances - Total Governmental Funds (Statement of Revenues, Expenditures, and Changes in Fund Balances/Deficit - Division of Vocational Rehabilitation Only)	\$ 260,488
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p> <p>In the Statement of Activities, certain operating expenses (compensated absences payable) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amounts of financial resources used (essentially, the amounts actually paid). The change in the liabilities for the year was:</p>	
Change in compensated absences payable	137,428
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital Outlay	110,378
Depreciation expense	<u>(42,889)</u>
Excess of capital outlay over depreciation expense	<u>67,489</u>
Change in Net Position of Governmental Activities (Statement of Activities - Division of Vocational Rehabilitation Only)	<u>\$ 465,405</u>

AGENCY AND FIDUCIARY FUNDS

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
Agency Fund - 57300
For the Year Ended June 30, 2014

	<u>Balance June 30, 2013</u>	<u>Restatement</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
ASSETS					
Interest in State General Fund Investment Pool	\$ 6,026,958	-	1,418,706	(1,481,452)	5,964,212
Due from Other State Agencies	-	117,228	3,843	-	121,071
Total Assets	<u>\$ 6,026,958</u>	<u>117,228</u>	<u>1,422,549</u>	<u>(1,481,452)</u>	<u>6,085,283</u>
LIABILITIES					
Due to Other Funds	\$ 6,026,958	(2,908,500)	-	-	3,118,458
Due to External Parties	-	3,025,728	1,422,549	(1,481,452)	2,966,825
Total Liabilities	<u>\$ 6,026,958</u>	<u>117,228</u>	<u>1,422,549</u>	<u>(1,481,452)</u>	<u>6,085,283</u>

See Independent Auditors Report

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 June 30, 2014

	Eva Lou Kelly Scholarship <u>61600</u>	Tutor-Scholars Program <u>99300</u>	Total Private Purpose Trusts <u></u>
ASSETS			
Interest in State General Fund Investment Pool	\$ 39,997	4,876	44,873
Certificate of Deposit	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Assets	<u>59,997</u>	<u>4,876</u>	<u>64,873</u>
LIABILITIES			
Due to External Parties	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Reserved for Scholarships	<u>\$ 59,997</u>	<u>4,876</u>	<u>64,873</u>

See Independent Auditors Report

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended June 30, 2014

	Eva Lou Kelly Scholarship 61600	Tutor-Scholars Program 99300	Total Private Purpose Trusts
ADDITIONS			
Investment Earnings - Interest	\$ 217	-	216
DEDUCTIONS			
Scholarship Expense	-	-	-
CHANGE IN NET POSITION	217	-	216
NET POSITION, BEGINNING	59,780	4,876	64,657
NET POSITION, ENDING	<u>\$ 59,997</u>	<u>4,876</u>	<u>64,873</u>

See Independent Auditors Report

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO TRUST AND AGENCY FUNDS
For the Year Ended June 30, 2014**

Trust Funds

Private-Purpose Trust Funds are used to report arrangements under which principal or interest benefits specific to individuals, private organizations or other government (but not the reporting government).

Eva Lou Kelly Scholarship Fund (SHARE Fund 61600)

The Eva Lou Kelly Scholarship fund accounts for assets held in trust for the continuation of "deserving boys and girls".

Tutor-Scholars Program Fund (SHARE Fund 99300)

The Tutor-Scholars Program fund accounts for donations, primarily corporate, to fund scholarships for academically successful students who tutor at-risk high school students. Tutor-scholars may receive scholarships up to \$3,000 per year for use at any public or private post-secondary school in New Mexico.

Agency Fund

Agency Funds are used to account for assets held on behalf of individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations.

Driver Safety Fees (SHARE Fund 57300)

The Driver Safety Fee fund is used to accumulate the driver safety fee in the amount of \$3 for each driver's license or duplicate driver's license issued. The fees are distributed through the State Equalization Guarantee distribution to each school district for the purpose of providing defensive driving instruction (NMSA 1978, Section 66-5-44). The balance reported on the Statement of Changes in Assets and Liabilities - Agency Fund in the amount of \$3,118,458 is a result of Legislative Appropriations Laws 2013 (Chapter 227, Section 5, Page 218) which stipulated that \$4,600,000 be transferred from this Driver Safety Fees Fund to the Special Projects Fund 79000. During the current fiscal year, \$1,481,452 of this balance was transferred to the Special Projects Fund while the remaining \$3,118,548 is due to the fund at June 30, 2014.

See Independent Auditors Report

OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUPPLEMENTAL SCHEDULE OF CASH AND CASH EQUIVALENTS
For the Year Ended June 30, 2014

<u>Agency/Fund</u>	<u>Account Name</u>	<u>General Ledger Balance</u>
General Funds:		
924-05700	Public Education Department (PED)	\$ 2,314,064
644-50000	Division of Vocational Rehabilitation (DVR)	9,389,427
Total General Funds		11,703,491
Special Revenue and Capital Outlay Funds:		
924-00500	Schools in Need in Improvement	836,835
924-11420	K-3 Plus	9,563,162
924-20160	Ed Tech Deficiency Correction Fund	161,702
924-20550	School Transportation Training	26,462
924-30800	Private Grants	756,103
924-33400	Family Youth	556,727
924-39700	Educator Certification	3,574,186
924-45800	Adult Basic Education	122,565
924-47000	Charter School Stimulus	14,292
644-50100	Disability Determination Services	(128,096)
924-51300	Pre-Kindergarten	7,286,060
924-56200	Professional Development	4,813,136
924-56800	Incentive for School Improvement	49,663
924-58600	Reading Materials	155,564
924-63300	Indian Education Act	3,520,919
924-63400	Public School Capital Improvements	4,811,243
924-63500	Public School Capital Outlay	1,103,044
924-63900	Kindergarten Plus	88,919
924-66000	Instructional Materials Adoption	412,736
924-66200	Education Technology	681,461
924-66900	School Library	125,207
924-67200	Federal Food Services	92,648
924-67300	Federal Department of Education Flowthrough	(180,671)
924-67400	Federal Vocational Education Flowthrough	540,875
924-72500	Public Building Energy Efficiency Act	47
924-79000	Special Projects	26,498,692
924-81300	Special Capital Outlay Severance Tax Bonds 2000	37,097
924-81600	Special Capital Outlay Severance Tax Bonds 2004	165,768
924-81800	Special Capital Outlay - General Fund	100,215
924-84400	Federal Department of Education Admin	6,031,290
924-85600	Instructional Materials Flowthrough	7,706,062
924-85700	State Support Reserve	1,000,000
924-85800	Public School Support Flowthrough	9,403,437
924-88900	Transportation Emergency	3,627,178
924-89000	PED ARRA Fund	2,348
644-89000	DVR ARRA Fund	874
924-89200	STB Capital Outlay	1,285,305
924-93100	GF Capital Outlay	88,449
Total Special Revenue and Capital Outlay Funds		94,931,504
Total General Fund, Special Revenue and Capital Outlay Funds		106,634,995
Trust and Agency Funds:		
924-57300	Driver Safety Fees	5,964,212
924-61600	Eva Lou Kelly Scholarship	39,997
924-61600	Eva Lou Kelly Scholarship - CD with Washington Federal	20,000
924-99300	Tutor Scholars Program	4,876
Total Trust and Agency Funds		6,029,085
Total Cash and Investments, Net of Overdrafts		\$ 112,664,080

See Independent Auditors Report

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
JOINT POWERS AGREEMENTS, MEMORANDA OF UNDERSTANDING
AND INTER-GOVERNMENTAL AGREEMENTS
June 30, 2014**

<u>Contractor</u>	<u>Scope of Work</u>	<u>Responsible Party</u>	<u>Amount of Contract</u>	<u>Beginning Date</u>	<u>Ending Date</u>	<u>Audit Responsibility</u>	<u>Agency Reporting Revenue/Expense</u>
University of Wisconsin-Madison	Access ELL Assess.	PED	1,377,800	6/30/2014	6/30/2015	PED	PED
Julia Hosfard Barnes	Charter Schools	PED	37,866	7/1/2013	6/30/2014	PED	PED
Measured Progress	Assessment	PED	594,260	1/1/2012	12/30/2013	PED	PED
Rio Rancho Public Schools	CTWEB	PED	52,535	7/1/2013	6/30/2014	PED	PED
GTS Khalsa	Ethics	PED	15,000	7/1/2013	6/30/2014	PED	PED
Romero Law LLC	Ethics	PED	30,000	7/1/2013	6/30/2014	PED	PED
Mettler Law PC	Ethics	PED	15,000	7/1/2013	6/30/2014	PED	PED
REC IX	CTWEB	PED	501,766	7/1/2013	6/30/2014	PED	PED
Charter Schools	Charter Schools	PED	30,800	7/1/2013	6/30/2014	PED	PED
NM Coalition of Charter Schools	Charter Schools	PED	15,000	7/1/2013	6/30/2014	PED	PED
Vision Link	Ed Quality	PED	223,925	7/1/2013	6/30/2014	PED	PED
REC IX	Ed Quality	PED	210,545	7/1/2013	6/30/2014	PED	PED
UNM	Prof. Development	PED	300,000	7/1/2013	6/30/2014	PED	PED
REC IX	Dossier	PED	363,958	7/1/2013	6/30/2014	PED	PED
CYFD	Carl Perkins career	PED	10,000	6/1/2013	5/31/2014	PED	PED/CYFD
META Associates	Title I	PED	52,796	7/1/2013	6/30/2014	PED	PED
ABQ Public Schools	Pre K	PED	2,463,000	7/1/2013	6/30/2014	PED	PED/ABQ Public Schools
Belen Consolidated School	Pre K	PED	120,000	7/1/2013	6/30/2014	PED	PED/Belen Consolidated Schools
Bernalillo School	Pre K	PED	594,198	7/1/2013	6/30/2014	PED	PED/Bernalillo Schools
Bloomfield Schools	Pre K	PED	486,720	7/1/2013	6/30/2014	PED	PED/Bloomfield Schools
Central Schools	Pre K	PED	1,398,000	7/1/2013	6/30/2014	PED	PED/Central Schools
Chama Schools	Pre K	PED	90,000	7/1/2013	6/30/2014	PED	PED/Chama Schools
Cobre Schools	Pre K	PED	245,820	7/1/2013	6/30/2014	PED	PED/Cobre Schools
Cuba Schools	Pre K	PED	63,072	7/1/2013	6/30/2014	PED	PED/Cuba Schools
Deming Schools	Pre K	PED	250,556	7/1/2013	6/30/2014	PED	PED/Deming Schools
Dexter Schools	Pre K	PED	112,135	7/1/2013	6/30/2014	PED	PED/Dexter Schools
Farmington Schools	Pre K	PED	580,000	7/1/2013	6/30/2014	PED	PED/Farmington Schools
Gadsden Schools	Pre K	PED	1,490,000	7/1/2013	6/30/2014	PED	PED/Gadsden Schools
Gallup McKinley	Pre K	PED	595,670	7/1/2013	6/30/2014	PED	PED/Gallup McKinley Schools
Grants Cibola Schools	Pre K	PED	240,000	7/1/2013	6/30/2014	PED	PED/Grants Cibola Schools
Hatch Valley Schools	Pre K	PED	145,000	7/1/2013	6/30/2014	PED	PED/Hatch Valley Schools
Horizon Academy West Charter	Pre K	PED	120,000	7/1/2013	6/30/2014	PED	PED/Horizon Academy West Charter
Jemez Valley Public Schools	Pre K	PED	59,000	7/1/2013	6/30/2014	PED	PED/Jemez Valley Public Schools
Lordsburg Schools	Pre K	PED	90,000	7/1/2013	6/30/2014	PED	PED/Lordsburg Schools
Los Lunas Schools	Pre K	PED	408,606	7/1/2013	6/30/2014	PED	PED/Los Lunas Schools
Magdalena Schools	Pre K	PED	40,874	7/1/2013	6/30/2014	PED	PED/Magdalena Schools
Mesa Vista Schools	Pre K	PED	62,000	7/1/2013	6/30/2014	PED	PED/Mesa Vista Schools
North Valley Academy	Pre K	PED	120,000	7/1/2013	6/30/2014	PED	PED/North Valley Academy
Pecos Independent Schools	Pre K	PED	126,000	7/1/2013	6/30/2014	PED	PED/Pecos Independent Schools
Pojoaque Valley schools	Pre K	PED	105,000	7/1/2013	6/30/2014	PED	PED/Pojoaque Valley Schools
Truth or Consequences	Pre K	PED	196,000	7/1/2013	6/30/2014	PED	PED/Truth or Consequences Schools
Taos Schools	Pre K	PED	108,000	7/1/2013	6/30/2014	PED	PED/Taos Schools
Vaughn Schools	Pre K	PED	18,000	7/1/2013	6/30/2014	PED	PED/Vaughn Schools
Zuni Schools	Pre K	PED	60,000	7/1/2013	6/30/2014	PED	PED/Zuni Schools
REC 6	Pre K	PED	286,097	7/1/2013	6/30/2014	PED	PED/REC 6
REC 7	Pre K	PED	444,000	7/1/2013	6/30/2014	PED	PED/REC 7
Santa Fe Schools	Pre K	PED	666,000	7/1/2013	6/30/2014	PED	PED/Santa Fe Schools
Red River Schools	Pre K	PED	40,000	7/1/2013	6/30/2014	PED	PED/Red River Schools
Roswell Schools	Pre K	PED	135,000	7/1/2013	6/30/2014	PED	PED/Roswell Schools
Silver Schools	Pre K	PED	180,000	7/1/2013	6/30/2014	PED	PED/Silver Schools
Socorro Schools	Pre K	PED	218,000	7/1/2013	6/30/2014	PED	PED/Socorro Schools
Questa Schools	Pre K	PED	81,000	7/1/2013	6/30/2014	PED	PED/Questa Schools
La Promesa	Pre K	PED	120,000	7/1/2013	6/30/2014	PED	PED/La Promesa Charter School
West Las Vegas	Pre K	PED	180,000	7/1/2013	6/30/2014	PED	PED/West Las Vegas Schools
Rio Rancho Public Schools	Pre K	PED	957,252	7/1/2013	6/30/2014	PED	PED/Rio Rancho Public Schools
REC IX	Literacy	PED	99,106	7/1/2013	6/30/2014	PED	PED/REC IX
Central REC 5	Literacy	PED	199,737	7/1/2013	6/30/2014	PED	PED/Central REC 5

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
JOINT POWERS AGREEMENTS, MEMORANDA OF UNDERSTANDING
AND INTER-GOVERNMENTAL AGREEMENTS (CONTINUED)
June 30, 2014

Contractor	Scope of Work	Responsible Party	Amount of Contract	Beginning Date	Ending Date	Audit Responsibility	Agency Reporting Revenue/Expense
High Plains REC 3	Literacy	PED	106,380	7/1/2013	6/30/2014	PED	PED/High Plains REC 3
SWREC 10	Literacy	PED	198,720	7/1/2013	6/30/2014	PED	PED/SWREC 10
NMAEYC	Pre K	PED	40,000	7/1/2013	6/30/2014	PED	PED/NMAEYC
Farmington Schools	School Health	PED	146,876	7/1/2013	6/30/2014	PED	PED/Farmington Schools
Las Cruces Schools	School Health	PED	315,330	7/1/2013	6/30/2014	PED	PED/Las Cruces Schools
Socorro Schools	School Health	PED	129,825	7/1/2013	6/30/2014	PED	PED/Socorro Schools
Bernalillo School	School Health	PED	312,563	7/1/2013	6/30/2014	PED	PED/Bernalillo Schools
Central Consolidated Schools	School Health	PED	624,463	7/1/2013	6/30/2014	PED	PED/Central Consolidated Schools
Teach for America	Idian Ed.	PED	400,000	7/1/2013	6/30/2014	PED	PED
NW REC 2	Literacy	PED	201,661	7/1/2013	6/30/2014	PED	PED/NW REC 2
NEREC 4	Literacy	PED	100,413	7/1/2013	6/30/2014	PED	PED/NEREC 4
Las Vegas City Schools	School Health	PED	418,775	7/1/2013	6/30/2014	PED	PED/Las Vegas City Schools
REC 6	SPED	PED	114,954	7/1/2013	6/30/2014	PED	PED/REC 6
REC 5	SPED	PED	392,896	7/1/2013	6/30/2014	PED	PED/REC 5
REC 9	SPED	PED	794,942	7/1/2013	6/30/2014	PED	PED/REC 9
REC 2	SPED	PED	461,158	7/1/2013	6/30/2014	PED	PED/REC 2
EPICS	SPED	PED	199,000	7/1/2013	6/30/2014	PED	PED/EPICS
REC 8	SPED	PED	260,879	7/1/2013	6/30/2014	PED	PED/REC 8
REC 7	SPED	PED	197,381	7/1/2013	6/30/2014	PED	PED/REC 7
REC 3	SPED	PED	310,482	7/1/2013	6/30/2014	PED	PED/REC 3
REC 8	Literacy	PED	161,994	7/1/2013	6/30/2014	PED	PED/REC 8
Laguna Dept. Education	School Health	PED	89,316	7/1/2013	6/30/2014	PED	PED/Laguna Dept of Education
Jane Bloom Yohalem	SPED	PED	21,888	7/1/2013	6/30/2014	PED	PED
Barbara Albin	SPED	PED	21,688	7/1/2013	6/30/2014	PED	PED
Morgan Lyman	SPED	PED	21,763	7/1/2013	6/30/2014	PED	PED
Muriel McClelland	SPED	PED	21,500	7/1/2013	6/30/2014	PED	PED
Earl Mettler	SPED	PED	21,688	7/1/2013	6/30/2014	PED	PED
REC 10	SPED	PED	337,263	7/1/2013	6/30/2014	PED	PED/REC 10
Taos Day School	School Health	PED	167,108	7/1/2013	6/30/2014	PED	PED/Taos Day School
UNM	Pre K	PED	945,000	7/1/2013	6/30/2014	PED	PED/UNM
Elizabeth Savage	ASD	PED	53,719	7/1/2013	6/30/2014	PED	PED
Pueblo de San Idelfonso	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED
REC 4	SPED	PED	418,931	7/1/2013	6/30/2014	PED	PED/REC 4
REC 7	Literacy	PED	100,224	7/1/2013	6/30/2014	PED	PED/REC 7
After Math	School Health	PED	257,591 / 150,396	7/1/2013	6/30/2014	PED	PED/Aftermath
NM Community FaithLinks	School Health	PED	257,591	7/1/2013	6/30/2014	PED	PED/NM Community Faith Links
Gallup McKinley Schools	School Health	PED	1,305,018	7/1/2013	6/30/2014	PED	PED/Gallup McKinley Schools
Gadsden Schools	School Health	PED	876,999	7/1/2013	6/30/2014	PED	PED/Gadsden Schools
Dulce Independent Schools	School Health	PED	331,476	7/1/2013	6/30/2014	PED	PED/Dulce Independent Schools
REC 6	School Health	PED	513,548	7/1/2013	6/30/2014	PED	PED/REC 6
Apple Tree Educational Center	School Health	PED	286,973	7/1/2013	6/30/2014	PED	PED/Apple Tree
Socorro Schools	School Health	PED	200,000	7/1/2013	6/30/2014	PED	PED/Socorro Schools
UNM	SPED	PED	478,548	7/1/2013	6/30/2014	PED	PED/UNM
PRO	SPED	PED	159,000	7/1/2013	6/30/2014	PED	PED/PRO
Research In Action	Assessment	PED	260,611	7/1/2013	6/30/2014	PED	PED
Teresa Sainz	Policy	PED	23,297	7/1/2013	6/30/2014	PED	PED
Pueblo of Taos	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Taos
Ohkay Owingeh	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Ohkay Owingeh
WEST ED	Policy	PED	49,671	11/25/2012	11/25/2013	PED	PED
Pueblo of Santa Clara	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Santa Clara
Pueblo of Santa Ana	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Santa Ana
Utah State University (TAESE)	SPED	PED	372,580	7/1/2013	6/30/2014	PED	PED/TAESE
Pueblo of Zuni	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Zuni
Pueblo of Jemez	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Jemez
Pueblo of Zia	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Zia
Pueblo of Pojoaque	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Pojoaque

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
JOINT POWERS AGREEMENTS, MEMORANDA OF UNDERSTANDING
AND INTER-GOVERNMENTAL AGREEMENTS (CONTINUED)
June 30, 2014

Contractor	Scope of Work	Responsible Party	Amount of Contract	Beginning Date	Ending Date	Audit Responsibility	Agency Reporting Revenue/Expense
Pueblo of Sandia	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Sandia
Pueblo of Laguna	Indian Ed.	PED	30,000	7/1/2013	6/30/2013	PED	PED/Pueblo of Laguna
Pueblo of Isleta	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Isleta
Pueblo of Acoma	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Acoma
Pueblo of Cochiti	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Cochiti
Mescalero Apache Tribe	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Mescalero Apache Tribe
Navajo Nation	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Navajo Nation
San Felipe Pueblo	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/San Felipe Pueblo
Sutin Thayer & Brown	Legal	PED	50,000	7/1/2013	6/30/2014	PED	PED
REC 7	SPED	PED	599,686	7/1/2013	6/30/2014	PED	PED/REC 7
REC 6	Literacy	PED	198,720	7/1/2013	6/30/2014	PED	PED/REC 6
SWREC 10	IDEAL	PED	56,700	7/1/2013	6/30/2014	PED	PED/SWREC 10
Jicarilla Apache Tribe	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Jicarilla Apache Tribe
Save the Children Federation Inc.	Indian Ed.	PED	600,000	7/1/2013	6/30/2014	PED	PED
Pueblo Nambe	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Nambe
Pueblo Santo Domingo	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Pueblo of Santo Domingo
APS	School Health	PED	255,212	7/1/2013	6/30/2014	PED	PED/Albuquerque Public Schools
Santa Fe Public	School Health	PED	526,510	7/1/2013	6/30/2014	PED	PED/Santa Fe Schools
Knowledge Delivery Systems	Policy	PED	1,524,094	7/1/2013	6/30/2014	PED	PED
NMAG	School Health	PED	85,000	7/1/2013	6/30/2014	PED	PED
Horizons of New Mexico TIBH	Educator Quality	PED	494,012	7/1/2013	6/30/2014	PED	PED
Picuris Pueblo	Indian Ed.	PED	29,379	7/1/2013	6/30/2014	PED	PED/Picuris Pueblo
Tesuque Pueblo	Indian Ed.	PED	30,000	7/1/2013	6/30/2014	PED	PED/Tesuque Pueblo
REC IX	Literacy	PED	72,232	7/1/2013	6/30/2014	PED	PED/REC IX
UNM	School Health	PED	18,952	8/1/2013	7/31/2014	PED	PED/UNM
REC IX	Priority Schools	PED	946,982	7/1/2013	6/30/2014	PED	PED/REC IX
NM Alliance for School Based Health Care	School Health	PED	18,600	8/1/2013	7/31/2014	PED	PED
NM Forum for Youth in Community	School Health	PED	25,000	8/1/2013	7/31/2014	PED	PED
APEX Education	School Health	PED	59,920	8/1/2013	7/31/2014	PED	PED
Roswell Independent Schools	CTWEB	PED	120,000	7/1/2013	6/30/2014	PED	PED/Roswell Schools
REC IX	Literacy	PED	443,788	7/1/2013	6/30/2014	PED	PED/REC IX
REC IX	ASD	PED	102,100	7/1/2013	6/30/2014	PED	PED/REC IX
Cooperative Educational Services	CTWEB	PED	70,000	7/1/2013	6/30/2014	PED	PED
Cooperative Educational Services	CTWEB	PED	41,950	7/1/2013	6/30/2014	PED	PED
NM Teen Prgnancy Coalition	School Health	PED	50,000	8/1/2013	7/31/2014	PED	PED/NM Teen Pregnancy Coalitin
Las Cruces Schools	CTWEB	PED	120,000	7/1/2013	6/30/2014	PED	PED/Las Cruces Schools
Dept of Health	Policy	PED	27,134,034	1/1/2013	12/31/2017	PED	PED/Dept of Health
CYFD	Policy	PED	5,476,170	1/1/2013	12/31/2017	PED	PED/CYFD
University of New Mexico	School Health	PED	50,000	8/1/2013	7/31/2014	PED	PED/UNM
Mesa Vista Schools	CTWEB	PED	137,282	7/1/2013	6/30/2014	PED	PED/Mesa Vista Schools
REC IV	Bilingual Education	PED	252,704	7/1/2013	6/30/2014	PED	PED/REC IV
SWREC 10	Literacy	PED	20,288	7/1/2013	6/30/2014	PED	PED/SWREC 10
REC IX	Literacy	PED	861,142	7/1/2013	6/30/2014	PED	PED/REC IX
REC IX	Assessment	PED	56,364	7/1/2013	6/30/2014	PED	PED/REC IX
College Board	CTWEB	PED	300,000	7/1/2013	6/30/2014	PED	PED
REC IX	Literacy	PED	146,178	7/1/2013	6/30/2014	PED	PED/REC IX
University of Virginia	Policy	PED	67,500	7/1/2013	6/30/2014	PED	PED
Penasco Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Penasco Schools
Albuquerque Public Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Albuquerque Public Schools
Aztec Municpal Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Aztec
Bernalillo School	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Bernalillo Schools
Dulce Independent Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Dulce Independent Schools
Los Lunas Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Los Lunas Schools
Rio Rancho Public Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Rio Rancho Public Schools
NMHU	CTWEB	PED	144,500	7/1/2013	6/30/2014	PED	PED/NMHU
Taos Municpal Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Taos Municipal Schools

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
JOINT POWERS AGREEMENTS, MEMORANDA OF UNDERSTANDING
AND INTER-GOVERNMENTAL AGREEMENTS (CONTINUED)
June 30, 2014

Contractor	Scope of Work	Responsible Party	Amount of Contract	Beginning Date	Ending Date	Audit Responsibility	Agency Reporting Revenue/Expense
Central Consolidated Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Central Consolidated Schools
Native American Academy	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Native American Academy
Cuba Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Cuba Schools
Ruidoso Municipal Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Ruidoso Municipal Schools
Magdalena Municipal Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Magdalena Schools
Deanna Gomez	Audit	PED	50,000	7/1/2013	6/30/2014	PED	PED
REC 7	School Health	PED	100,000	7/1/2013	6/30/2014	PED	PED/REC 7
NMSU	Math & Science	PED	1,169,441	10/1/2014	9/30/2015	PED	PED/NMSU
Grants Cibola Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Grants Cibola Schools
Southwest Cooperative Education Coop #10	Math & Science	PED	780,516	7/1/2013	6/30/2014	PED	PED/SWREC 10
Sandy Beery	Charter Schools	PED	32,556	7/1/2013	6/30/2014	PED	PED
Aztec Municipal Schools	IMB	PED	181,808	7/1/2013	6/30/2014	PED	PED/Aztec
Santa Fe Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Santa Fe Schools
NMHU	CTWEB	PED	270,000	7/1/2013	6/30/2014	PED	PED/NMHU
REC 3	CTWEB	PED	300,000	7/1/2013	6/30/2014	PED	PED/REC 3
Gallup McKinley Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Gallup McKinley Schools
Carlsbad Schools	CTWEB	PED	25,000	7/1/2013	6/30/2014	PED	PED/Carlsbad Schools
Pojoaque Valley schools	CTWEB	PED	25,000	7/1/2013	6/30/2014	PED	PED/Pojoaque Valley Schools
Bernalillo School	CTWEB	PED	25,000	7/1/2013	6/30/2014	PED	PED/Bernalillo Schools
Zuni Schools	CTWEB	PED	25,000	7/1/2013	6/30/2014	PED	PED/Zuni Schools
Cognasante IV & V K-3 Formative Assessment	Literacy	PED	16,158	7/1/2013	6/30/2014	PED	PED
CES	CTWEB	PED	67,199	7/1/2013	9/30/2014	PED	PED
Walatowa Charter High	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Walatowa Charter High
East Mountain High School	CTWEB	PED	134,717	7/1/2013	6/30/2014	PED	PED/East Mountain High School
REC 4	CTWEB	PED	28,000	7/1/2013	6/30/2014	PED	PED/REC 4
Los Alamos Schools	CTWEB	PED	100,000	7/1/2013	6/30/2014	PED	PED/Los Alamos Schools
Zuni Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Zuni Schools
Espanola Public Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Espanola Public Schools
WEST ED	Pre K	PED	153,337	7/1/2013	6/30/2014	PED	PED/West Ed
REC IX	Policy	PED	110,000	7/1/2013	6/30/2014	PED	PED/REC IX
REC IX	Assessment	PED	59,514	7/1/2013	6/30/2014	PED	PED/REC IX
Belinda Hancock	Finance Oper	PED	52,563	7/1/2013	6/30/2014	PED	PED
UNM	Pre K	PED	53,640	7/1/2013	6/30/2014	PED	PED/UNM
CES	CTWEB	PED	215,000	7/1/2013	6/30/2014	PED	PED
REC 4	CTWEB	PED	26,244	1/1/2013	12/30/2014	PED	PED/REC 4
Teach for America	Ed. Quality	PED	250,028	7/1/2013	6/30/2014	PED	PED
Teach for America	Ed. Quality	PED	250,028	7/1/2013	6/30/2014	PED	PED
Pojoaque Valley schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Pojoaque Valley Schools
Jemez Mountain Schools	Indian Ed.	PED	20,000	7/1/2013	6/30/2014	PED	PED/Jemez Valley Public Schools
Native American Academy	Policy	PED	115,615	7/1/2013	6/30/2014	PED	PED/Native American Academy
Santa Fe Public Schools	Policy	PED	139,830	7/1/2013	6/30/2014	PED	PED/Santa Fe Schools

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
PUBLIC SCHOOL CAPITAL IMPROVEMENTS - FUND 63400
For the Year Ended June 30, 2014

	Project Authorization	Reversions	Prior Years	Current Year	Total to Date
CASH RECEIPTS					
Laws of 2001, CH 338 (SSTB 2009-2010)	\$ 18,500,000	52,338	18,236,101	79,010	18,315,111
Laws of 2001, CH 338 (SSTB 2008-2009)	20,000,000	1,871,307	17,658,601	131,223	17,789,824
Laws of 2001, CH 338 (SSTB 2007-2008)	20,500,000	1,521,223	18,978,783	-	18,978,783
Laws of 2001, CH 338 (SSTB 2006-2007)	18,500,000	498,676	18,001,324	-	18,001,324
Laws of 2001, CH 338 (SSTB 2005-2006)	20,001,934	2,020,629	17,981,305	-	17,981,305
Laws of 2001, CH 338 (SSTB 2004-2005)	13,200,000	162,070	13,037,930	-	13,037,930
Laws of 2001, CH 338 (SSTB 2003-2004)	14,200,000	802,200	13,398,000	-	13,398,000
Laws of 2001, CH 338 (SSTB 2001-2002)	8,500,000	636,967	7,741,009	-	7,741,009
Laws of 2000, CH 15 General Fund 2000-2001	5,732,800	-	5,732,800	-	5,732,800
Laws of 1999, CH 3 General Fund 1999-2000	6,595,500	-	6,595,500	-	6,595,500
Refund	-	-	34,415	-	34,415
Laws of 1998, CH 116 General Fund 1998-1999	7,200,000	-	7,200,000	-	7,200,000
Laws of 1996, CH 13 GO Bonds 1996-1997	5,000,000	-	4,995,360	-	4,995,360
Laws of 1995, CH 13 General Fund, 1995-1996, p182	7,000,000	-	7,000,000	-	7,000,000
Laws of 1994, CH 148 General Fund, 1994-1995 s.53 p.1489	9,600,000	-	9,600,000	-	9,600,000
Adjustments	-	-	414,485	28,283	442,768
TOTAL CASH RECEIPTS	174,530,234	7,565,409	166,605,613	238,516	166,844,129
CASH OUTLAYS					
Laws of 2001, CH 338 (SSTB 2009-2010)	18,500,000	52,338	18,187,211	377,297	18,564,508
Laws of 2001, CH 338 (SSTB 2008-2009)	20,000,000	1,871,307	17,496,847	148,220	17,645,067
Laws of 2001, CH 338 (SSTB 2007-2008)	20,500,000	1,521,223	18,327,177	433,425	18,760,602
Laws of 2001, CH 338 (SSTB 2006-2007)	18,500,000	498,676	17,932,990	-	17,932,990
Laws of 2001, CH 338 (SSTB 2005-2006)	20,001,934	2,020,629	18,035,011	-	18,035,011
Laws of 2001, CH 338 (SSTB 2004-2005)	13,200,000	162,070	13,037,930	-	13,037,930
Laws of 2001, CH 338 (SSTB 2003-2004)	14,200,000	802,200	13,398,000	-	13,398,000
Laws of 2001, CH 338 (SSTB 2001-2002)	8,500,000	636,967	7,863,033	-	7,863,033
Laws of 2000, CH 15 General Fund 2000-2001	5,732,800	-	3,648,024	-	3,648,024
Laws of 1999, CH 3 General Fund 1999-2000	6,595,500	-	5,411,351	-	5,411,351
Laws of 1998, CH 116 General Fund 1998-1999	7,200,000	-	6,061,387	-	6,061,387
Laws of 1996, CH 13 GO Bonds 1996-1997	5,000,000	-	5,000,000	-	5,000,000
Laws of 1995, CH 13 General Fund, 1995-1996, p182	7,000,000	-	7,374,812	-	7,374,812
Laws of 1994, CH 148 General Fund, 1994-1995 s.53 p.1489	9,600,000	-	9,300,170	-	9,300,170
TOTAL CASH OUTLAYS	174,530,234	7,565,409	161,073,944	958,942	162,032,886
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	-	5,531,669	(720,426)	4,811,243
RECEIVABLES, June 30, 2014					\$ -
PAYABLES, June 30, 2014					(4,746,034)
FUND BALANCE, June 30, 2014					\$ 65,209

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
PUBLIC SCHOOL CAPITAL OUTLAY - FUND 63500
For the Year Ended June 30, 2014

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS				
Laws of 2001, Ch 338 (STB04-05)	\$ 16,969,586	13,323,620	-	13,323,620
2003-04 Severance Tax Bonds	86,087,753	84,855,225	-	84,855,225
2002-03 Severance Tax Bonds	95,676,311	95,634,965	-	95,634,965
Laws of 2002, Ch 44 (General Fund-1420)	1,000,000	1,000,000	-	1,000,000
2001-02 Severance Tax Bonds	99,140,730	99,129,670	-	99,129,670
Lottery 2001-02	3,859,271	423,790	-	423,790
2000-01, General Obligation Bonds	5,000,000	4,839,047	-	4,839,047
Lottery allocation 00-01	15,000,000	14,005,489	-	14,005,489
Lottery 99-00 allocation (9904)	10,000,000	10,000,000	-	10,000,000
Lottery 99-00 allocation	-	4,883,802	-	4,883,802
Laws of 1998, Ch 7 and 118 (STBs 9803 & 9804)	6,400,000	6,385,949	-	6,385,949
Lottery 98-99 allocation (9806)	13,000,000	11,908,015	-	11,908,015
Laws of 1998, Ch 5(General Fund 9805)	5,000,000	5,000,000	-	5,000,000
Laws of 1998, Ch 87 (GOB 9807)	10,000,000	9,883,957	-	9,883,957
Lottery 97-98 allocation (9802)	17,500,000	10,154,830	-	10,154,830
Lottery 96-97 allocation	7,194,579	7,194,579	-	7,194,579
Lottery 96-97 allocation	-	7,983,327	-	7,983,327
Transfers	-	268,441	-	268,441
Reversion	(1,427,409)	-	-	-
TOTAL CASH RECEIPTS	390,400,821	386,874,706	-	386,874,706
CASH OUTLAYS				
Laws of 2001, Ch 338 (STB04-05)	16,969,586	10,844,357	-	10,844,357
2003-04 Severance Tax Bonds	86,087,753	7,968	-	7,968
2002-03 Severance Tax Bonds	95,676,311	78,116,453	-	78,116,453
Laws of 2002, Ch 44 (General Fund-1420)	1,000,000	102,374,067	-	102,374,067
2001-02 Severance Tax Bonds	99,140,730	19,041	-	19,041
Lottery 2001-02	3,859,271	914,800	-	914,800
2000-01, General Obligation Bonds	5,000,000	99,476,105	-	99,476,105
Lottery allocation 00-01	15,000,000	4,008,200	-	4,008,200
Lottery 99-00 allocation (9904)	10,000,000	5,026,023	-	5,026,023
Lottery 99-00 allocation	-	14,233,863	-	14,233,863
Laws of 1998, Ch 7 and 118 (STBs 9803 & 9804)	6,400,000	9,997,194	-	9,997,194
Lottery 98-99 allocation (9806)	13,000,000	6,310,471	-	6,310,471
Laws of 1998, Ch 5(General Fund 9805)	5,000,000	13,036,343	-	13,036,343
Laws of 1998, Ch 87 (GOB 9807)	10,000,000	5,047,630	-	5,047,630
Lottery 97-98 allocation (9802)	17,500,000	10,003,582	-	10,003,582
Lottery 96-97 allocation	7,194,579	17,497,199	-	17,497,199
Lottery 96-97 allocation	-	7,145,925	-	7,145,925
Transfers	(1,427,409)	1,712,441	-	1,712,441
TOTAL CASH OUTLAYS	390,400,821	385,771,662	-	385,771,662
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	1,103,044	-	1,103,044
RECEIVABLES, June 30, 2014				\$ -
PAYABLES, June 30, 2014				-
FUND BALANCE, June 30, 2014				\$ 1,103,044

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STATE OF NEW MEXICO
DEPARTMENT OF EDUCATION
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY SEVERANCE TAX BONDS 2000 - FUND 81300
For the Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
CASH RECEIPTS				
Laws of 2003, CH 429 (STB)	\$ 20,000	20,000	-	20,000
Laws of 2002, CH 110 Sec 23 (STB)	15,332,920	13,211,294	-	13,211,294
Reversions	(721,570)	-	-	-
Laws of 2000, CH 23, Sec. 16 (STB)	10,720,080	10,144,393	-	10,144,393
Reversions	(50,000)	-	-	-
Transfers	-	109,356	-	109,356
TOTAL CASH RECEIPTS	<u>25,301,430</u>	<u>23,485,043</u>	-	<u>23,485,043</u>
CASH OUTLAYS				
Laws of 2003, CH 429 (STB)	20,000	40,000	-	40,000
Laws of 2002, CH 110 Sec 23 (STB)	15,332,920	13,247,902	-	13,247,902
Reversions	(721,570)	-	-	-
Laws of 2000, CH 23, Sec. 16 (STB)	10,720,080	10,251,458	-	10,251,458
Reversions	(50,000)	-	-	-
Adjustment	-	(244,073)	-	(244,073)
Transfer	-	152,659	-	152,659
TOTAL CASH OUTLAYS	<u>25,301,430</u>	<u>23,447,946</u>	-	<u>23,447,946</u>
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	<u>\$ -</u>	<u>37,097</u>	-	<u>37,097</u>
RECEIVABLES, June 30, 2014				\$ -
PAYABLES, June 30, 2014				-
FUND BALANCE, June 30, 2014				<u>\$ 37,097</u>

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY SEVERENCE TAX BONDS 2004 - FUND 81600
For the Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
CASH RECEIPTS				
Laws of 2010, CH3, Sec 10 C 3 (GOB)	\$ 500,000	499,998	-	499,998
Laws of 2010, CH3, Sec 10 C 2 (GOB)	2,000,000	530,113	994,761	1,524,874
Laws of 2010, CH3, Sec 10 C 1 (GOB)	2,000,000	1,651,704	79,495	1,731,199
Laws of 2010, CH3, Sec 10 B (GOB)	2,000,000	1,549,069	260,036	1,809,105
Laws of 2010, CH7, Sec 3 (STB)	2,873,589	371,794	-	371,794
Laws of 2009, CH7 (STB)	2,873,516	1,947,709	-	1,947,709
Laws of 2010, CH 4, Sec 34 (STB)	100,000	100,000	-	100,000
BOF Reversions	(100,000)	-	-	-
Laws of 2008, Ch 80 (GOB)	3,000,000	2,855,092	83,840	2,938,932
Laws of 2009, CH 125 Sec 16 (STB)	7,000,000	4,999,999	-	4,999,999
BOF Reversions	(2,000,000)	-	-	-
Laws of 2008 CH 92 (STB)	12,828,469	11,784,276	31,811	11,816,087
Change in authorization FY 2010	700,000	-	-	-
Change in authorization FY 2010	(320,469)	-	-	-
BOF Reversions	(700,000)	-	-	-
Art in Public Places	(64,630)	-	-	-
Transfers	-	-	-	-
Laws of 2007, CH 42, Sec 12 (STB)	300,000	297,000	-	297,000
Art in Public Places	(3,000)	-	-	-
Laws of 2006, CH 108 (GOB)	3,000,000	2,577,855	-	2,577,855
BOF Reversions	(422,145)	-	-	-
Laws of 2006 CH 111 (STB)	19,247,200	17,626,928	-	17,626,928
Change in authorization FY 2010	(235,000)	-	-	-
Change in authorization FY 2010	(364,607)	-	-	-
Change in authorization FY 2010	112,377	-	-	-
Art in Public Places	(72,500)	-	-	-
BOF Reversions	(41,243)	-	-	-
Laws of 2005, CH 347 (STB)	12,678,400	12,160,756	-	12,160,756
Change in authorization FY 2010	150,000	-	-	-
Change in authorization FY 2010	(402,809)	-	-	-
Art in Public Places	(10,400)	-	-	-
BOF Reversions	(210,752)	-	-	-
Laws of 2004, CH 117 (GOB)	11,156,000	10,992,308	-	10,992,308
Transfers	(4,619,877)	-	-	-
Other	(6,935)	-	-	-
BOF Reversions	(90,373)	-	-	-
BOF Reversions	(73,318)	-	-	-
Laws of 2004, CH 126 (STB)	10,963,000	10,530,802	-	10,530,802
Change in authorization FY 2010	(150,000)	-	-	-
Change in authorization FY 2010	(686)	-	-	-
Art in Public Places	(14,700)	-	-	-
BOF Reversions	(257,155)	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY SEVERENCE TAX BONDS 2004 - FUND 81600 (CONTINUED)
For the Year Ended June 30, 2014

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS (CONTINUED)				
Laws of 2003, CH 429 (STB)	\$ 8,975,613	8,729,660	-	8,729,660
Change in authorization FY 2010	24,453	-	-	-
BOF/PED adjustment	20,000	(35,000)	-	(35,000)
Change in authorization FY 2010	(996)	-	-	-
BOF Reversions	(275,547)	-	-	-
Art in Public Places	(1,050)	-	-	-
Laws of 2002, CH 110 (STB)	309,034	322,522	-	322,522
BOF/PED adjustment	-	45,749	-	45,749
BOF Reversions	(2,544)	-	-	-
TOTAL CASH RECEIPTS	92,370,915	89,538,334	1,449,943	90,988,277
CASH OUTLAYS				
Laws of 2010, CH3, Sec 10 C 3 (GOB)	500,000	499,998	-	499,998
Laws of 2010, CH3, Sec 10 C 2 (GOB)	2,000,000	647,776	1,352,224	2,000,000
Laws of 2010, CH3, Sec 10 C 1 (GOB)	2,000,000	1,781,375	91,301	1,872,676
Laws of 2010, CH3, Sec 10 B (GOB)	2,000,000	1,645,139	354,861	2,000,000
Laws of 2010, CH7, Sec 3 (STB)	2,873,589	437,475	-	437,475
Laws of 2009, CH7 (STB)	2,873,516	1,947,709	-	1,947,709
Laws of 2010, CH 4, Sec 34 (STB)	100,000	100,000	-	100,000
BOF Reversions	(100,000)	-	-	-
Laws of 2008, Ch 80 (GOB)	3,000,000	3,000,000	-	3,000,000
Laws of 2009, CH 125 Sec 16 (STB)	7,000,000	4,999,999	-	4,999,999
BOF Reversions	(2,000,000)	-	-	-
Laws of 2008 CH 92 (STB)	12,828,469	11,801,140	-	11,801,140
Change in authorization FY 2010	700,000	-	-	-
Change in authorization FY 2010	(320,469)	-	-	-
BOF Reversions	(700,000)	-	-	-
Art in Public Places	(64,630)	5,880	-	5,880
Transfers	-	-	-	-
Laws of 2007, CH 42, Sec 12 (STB)	300,000	297,000	-	297,000
Art in Public Places	(3,000)	-	-	-
Laws of 2006, CH 108 (GOB)	3,000,000	2,432,794	-	2,432,794
BOF Reversions	(422,145)	-	-	-
Laws of 2006 CH 111 (STB)	19,247,200	17,522,160	-	17,522,160
Change in authorization FY 2010	(235,000)	-	-	-
Change in authorization FY 2010	(364,607)	-	-	-
Change in authorization FY 2010	112,377	-	-	-
Art in Public Places	(72,500)	-	-	-
BOF Reversions	(41,243)	-	-	-
Laws of 2005, CH 347 (STB)	12,678,400	12,258,185	-	12,258,185
Change in authorization FY 2010	150,000	-	-	-
Change in authorization FY 2010	(402,809)	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY SEVERENCE TAX BONDS 2004 - FUND 81600 (CONTINUED)
For the Year Ended June 30, 2014

	Project Authorization	Prior Years	Current Year	Total to Date
CASH OUTLAYS (CONTINUED)				
Art in Public Places	\$ (10,400)	-	-	-
BOF Reversions	(210,752)	-	-	-
Laws of 2004, CH 117 (GOB)	11,156,000	10,953,095	-	10,953,095
Transfers	(4,619,877)	-	-	-
Other	(6,935)	-	-	-
BOF Reversions	(90,373)	-	-	-
BOF Reversions	(73,318)	-	-	-
Laws of 2004, CH 126 (STB)	10,963,000	10,099,687	-	10,099,687
Change in authorization FY 2010	(150,000)	-	-	-
Change in authorization FY 2010	(686)	-	-	-
Art in Public Places	(14,700)	-	-	-
BOF Reversions	(257,155)	-	-	-
Laws of 2003, CH 429 (STB)	8,975,613	9,088,354	-	9,088,354
Change in authorization FY 2010	24,453	-	-	-
BOF/PED adjustment	20,000	-	-	-
Change in authorization FY 2010	(996)	-	-	-
BOF Reversions	(275,547)	-	-	-
Art in Public Places	(1,050)	-	-	-
Laws of 2002, CH 110 (STB)	309,034	218,145	-	218,145
BOF/PED adjustment	-	(133,113)	(343,966)	(477,079)
BOF Reversions	(2,544)	-	-	-
Transfers	-	(234,709)	-	(234,709)
TOTAL CASH OUTLAYS	<u>92,370,915</u>	<u>89,368,089</u>	<u>1,454,420</u>	<u>90,822,509</u>
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	<u>\$ -</u>	<u>170,245</u>	<u>(4,477)</u>	<u>165,768</u>
RECEIVALBES, June 30, 2014				403,478
PAYABLES, June 30, 2014				<u>(411,753)</u>
FUND BALANCE, June 30, 2014				<u>\$ 157,493</u>

See Independent Auditors Report

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY - GENERAL FUND - FUND 81800
For the Year Ended June 30, 2014

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS				
Laws of 2002, CH 23	\$ 2,178,000	2,178,000	-	2,178,000
Increase in Authorization, Laws of 2002, CH 23	85,000	-	-	-
Laws of 2001	1,200,000	1,200,000	-	1,200,000
Reversions 2010	(53,408)	-	-	-
Laws of 2002 CH 110 (STB)	373,750	250,360	-	250,360
Reversions--Reduction in Auth, Laws of 2002, CH 110	(33,755)	-	-	-
Laws of 2003 CH 429 (STB)	85,000	17,257	-	17,257
Laws of 2003 CH 429	3,280,800	3,280,800	-	3,280,800
Reversions 2010	(151,803)	-	-	-
Reauthorization, Laws of 2006, Ch. 107, Sec 147	(100,000)	-	-	-
Laws of 2003 CH 385	880,300	880,300	-	880,300
Reversion-Reduction in Auth, Laws of 2003, Ch. 385 (HB9)	(75,000)	(75,000)	-	(75,000)
Laws of 2004 CH 126 Sec 145	500,000	500,000	-	500,000
Laws of 2004 CH 126 Sec 136 & 137	21,330,831	21,330,831	-	21,330,831
Reversion- Reduction in Auth, Laws of 2004, Ch. 126 HB9 (04-2557 \$25K/04-2472 \$20K)	(45,000)	(45,000)	-	(45,000)
Reversions 2010	(636,869)	-	-	-
Laws of 2005 CH 347 Sec 48	20,060,590	20,060,590	-	20,060,590
Reversions 2010	(715,395)	-	-	-
Reauthorization, Laws of 2005, CH 347 (05-1969)	(56,147)	-	-	-
Reauthorization, Laws of 2007, Ch 341	(376,477)	-	-	-
Laws of 2005 CH 347 Sec 256	50,000	50,000	-	50,000
Laws of 2006, CH 111, Sec 39	25,826,000	25,626,000	-	25,626,000
Reauthorization, Laws of 2007, Ch 341, item 328	(200,000)	-	-	-
Reversions 2010	(1,047,787)	-	-	-
Reauthorization Laws 2007, Ch 341	(740,000)	-	-	-
Reauthorization (08-5285)	(30,000)	-	-	-
Laws of 2006, Ch. 107, Sec. 175, 64, 87, 32, 142	256,400	220,000	-	220,000
Laws of 2007, Ch. 2, Sec. 16	11,302,100	11,302,100	-	11,302,100
Reversions 2012	-	-	-	-
Laws of 2007, Ch. 42, Sec. 55	52,305,034	52,397,149	-	52,397,149
Laws of 2007, Ch 42, Sec 99	50,000	50,000	-	50,000
Reauthorization, Laws of 2007, Ch 42, Sec 99	(130,000)	-	-	-
Laws of 2007, Ch 334, Sec 5K	100,000	100,000	-	100,000
Reversions 2010	(6,521,951)	-	-	-
Reauthorization, Laws of 2007, Ch 42, Sec 55	(2,640,000)	-	-	-
Laws of 2007, Ch 341, Sec 232, 204, 205, 207, 209, 232, 333	2,421,000	2,421,000	-	2,421,000
Laws of 2008, Ch. 92, Sec. 44	18,980,000	19,008,465	-	19,008,465
Reversions 2010	(3,213,650)	-	-	-
Reauthorization, Laws of 2008, Ch 92	(79,000)	-	-	-
Laws of 2008, Ch. 83, Sec. 108, 173, 312, 102, 84, 115, 232, 351	405,000	405,000	-	405,000
Reauthorization (08-5074)	(25,000)	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY - GENERAL FUND - FUND 81800 (CONTINUED)
For the Year Ended June 30, 2014

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS (CONTINUED)				
Laws of 2009, Ch. 128, various secs.	\$ 1,528,426	1,453,425	-	1,453,425
Refunds/cancelled warrants	-	21,954	-	21,954
Reversions of 2012	(6,536)	6,921	-	6,921
Transfers	-	419,358	(51,245)	368,113
Adjustments	-	24,872	-	24,872
TOTAL CASH RECEIPTS	146,320,451	163,084,383	(51,245)	163,033,138
CASH OUTLAYS				
Laws of 2002, CH 23	2,178,000	2,855,622	-	2,855,622
Incease in Authorization, Laws of 2002, CH 23	85,000	-	-	-
Laws of 2001	1,200,000	453,968	-	453,968
Reversions 2010	(53,408)	53,408	-	53,408
Laws of 2002 CH 110 (STB)	373,750	283,522	-	283,522
Reversions--Reduction in Auth, Laws of 2002, CH 110	(33,755)	-	-	-
Laws of 2003 CH 429 (STB)	85,000	85,000	-	85,000
Laws of 2003 CH 429	3,280,800	3,401,611	-	3,401,611
Reversions 2010	(151,803)	151,803	-	151,803
Reauthorization, Laws of 2006, Ch. 107, Sec 147	(100,000)	100,000	-	100,000
Laws of 2003 CH 385	880,300	531,009	-	531,009
Reversion-Reduction in Auth, Laws of 2003, Ch. 385	(75,000)	-	-	-
Laws of 2004 CH 126 Sec 145	500,000	126,074	-	126,074
Laws of 2004 CH 126 Sec 136 & 137	21,330,831	20,583,475	-	20,583,475
Reversion- Reduction in Auth, Laws of 2004, Ch. 126	(45,000)	-	-	-
Reversions 2010	(636,869)	636,869	-	636,869
Laws of 2005 CH 347 Sec 48	20,060,590	19,554,219	-	19,554,219
Reversions 2010	(715,395)	715,395	-	715,395
Reauthorization, Laws of 2005, CH 347	(56,147)	-	-	-
Reauthorization, Laws of 2007, Ch 341	(376,477)	1,100	-	1,100
Laws of 2005 CH 347 Sec 48 - reauthorization	50,000	50,000	-	50,000
Laws of 2005 CH 347 Sec 48 - reauthorization	-	230,150	-	230,150
Laws of 2006, CH 111, Sec 39	25,826,000	24,750,338	-	24,750,338
Reauthorization, Laws of 2007, Ch 341, item 328	(200,000)	-	-	-
Reversions 2010	(1,047,787)	1,047,787	-	1,047,787
Reauthorization Laws 2007, Ch 341	(740,000)	-	-	-
Reauthorization (08-5285)	(30,000)	-	-	-
Laws of 2006, Ch. 107, Sec. 175, 64, 87, 32, 142	256,400	216,512	-	216,512
Laws of 2007, Ch. 2, Sec. 16	11,302,100	9,931,610	-	9,931,610
Reversions 2012	-	6,536	-	6,536
Laws of 2007, Ch. 42, Sec. 55	52,305,034	45,301,151	-	45,301,151
Reversions 2010	(6,521,951)	6,521,951	-	6,521,951
Reauthorization, Laws of 2007, Ch 42, Sec 55	(2,640,000)	1,790,000	-	1,790,000
Reversions 2012	-	231,374	-	231,374

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
SPECIAL CAPITAL OUTLAY - GENERAL FUND - FUND 81800 (CONTINUED)
For the Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
CASH OUTLAYS (CONTINUED)				
Laws of 2007, Ch 341, Sec 104, 204, 207, 209, 232, 333	\$ 2,421,000	2,013,633	-	2,013,633
Reversions 2012	-	945	-	945
Laws of 2008, Ch. 92, Sec. 44	18,980,000	14,815,628	-	14,815,628
Reversions 2010	(3,213,650)	3,213,650	-	3,213,650
Reversions 2012	-	36,649	-	36,649
Reauthorization, Laws of 2008, Ch 92	(79,000)	40,000	-	40,000
Laws of 2008, Ch. 83, Sec. 108, 173, 312, 102, 84, 115, 232, 351	405,000	891,162	-	891,162
Reauthorization Laws 2006, Ch 111., Sec. 52	(25,000)	25,000	-	25,000
AIPP Transfer	-	1,200	-	1,200
Laws of 2009, Ch. 128, various sections	1,528,425	1,187,972	-	1,187,972
Reversions 2013	-	39,394	-	39,394
Adjustment	-	251,546	64,178	315,724
Transfers	13,465	741,480	-	741,480
TOTAL CASH OUTLAYS	<u>146,320,451</u>	<u>162,868,745</u>	<u>64,178</u>	<u>162,932,923</u>
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	<u>\$ -</u>	<u>215,638</u>	<u>(115,423)</u>	<u>100,215</u>
RECEIVABLES, June 30, 2014				\$ 7,350
PAYABLES, June 30, 2014				(220,578)
FUND BALANCE (DEFICIT), June 30, 2014				<u>\$ (113,013)</u>

See Independent Auditors Report

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
STB CAPITAL OUTLAY - FUND 89200
For the Year Ended June 30, 2014

	Project Authorization	Prior Years	Current Year	Total to Date
CASH RECEIPTS				
Laws of 2001, CH 338 SB9 (SSTB 2011-2012)	\$ 19,200,000	10,262,999	2,959,107	13,222,106
Laws of 2001, CH 338 SB9 (SSTB 2010-2011)	18,800,000	16,097,306	340,205	16,437,511
Laws 2001 CH 338 SB9 (SSTB 2012-2013)	19,600,000	4,857,903	1,392,519	6,250,422
Laws of 2012, CH 190 (STB 2012-2013)	708,067	160,597	39,112	199,709
Laws of 2012, CH 191 (STB 2012-2013)	7,157,500	5,021,243	68,816	5,090,059
Laws of 2013, CH 226 (STB 2012-2013)	26,701,102	-	8,168,422	8,168,422
Laws of 2013, CH 226 & 338 (SSTB 2012-2013)	15,500,000	-	8,636,058	8,636,058
Laws of 2013, CH 226 & 338 (SSTB 2012-2013)	39,800,000	-	3,459,474	3,459,474
Laws of 2012, CH 54 (GOB 2012-2013)	3,000,000	-	506,497	506,497
Laws of 2014, CH 66 (SSTB 2012-2013)	14,895,000	-	-	-
TOTAL CASH RECEIPTS	165,361,669	36,400,048	25,570,210	61,970,258
CASH OUTLAYS				
Laws of 2001, CH 338 (SSTB 2011-2012)	19,200,000	10,190,272	3,055,183	13,245,455
Laws of 2001, CH 338 (SSTB 2010-2011)	18,800,000	15,476,411	443,158	15,919,569
Laws 2001 CH 338 SB9 (SSTB 2012-2013)	19,600,000	4,667,856	820,770	5,488,626
Laws of 2012, CH 190 (STB 2012-2013)	708,067	160,597	39,112	199,709
Laws of 2012, CH 191 (STB 2012-2013)	7,157,500	4,294,783	812,842	5,107,625
Laws of 2013, CH 226 (STB 2012-2013)	26,701,102	-	8,561,750	8,561,750
Laws of 2013, CH 338 (SSTB 2012-2013)	15,500,000	-	9,667,529	9,667,529
Laws of 2001, CH 338 (SSTB 2012-2013)	39,800,000	-	1,994,360	1,994,360
Laws of 2012, CH 54 (GOB 2012-2013)	3,000,000	-	100,224	100,224
Laws of 2014, CH 66 (SSTB 2012-2013)	14,895,000	-	-	-
Adjustments	-	213,209	186,897	400,106
TOTAL CASH OUTLAYS	165,361,669	35,003,128	25,681,825	60,684,953
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	\$ -	1,396,920	(111,615)	1,285,305
RECEIVABLES, June 30, 2014				\$ 13,767,371
PAYABLES, June 30, 2014				(14,564,531)
FUND BALANCE, June 30, 2014				\$ 488,145

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF MULTI-YEAR BUDGETED SPECIAL CAPITAL OUTLAY FUND
GF CAPITAL OUTLAY - FUND 93100
For the Year Ended June 30, 2014

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
CASH RECEIPTS				
Laws of 2011, Senate Bill 373				
Account 101900	\$ 689,258	680,641	-	680,641
Less return of funds to DFA	-	(48,790)	-	(48,790)
TOTAL CASH RECEIPTS	689,258	631,851	-	631,851
CASH OUTLAYS				
Laws of 2011, Senate Bill 373				
Account 101900	689,258	534,648	63,612	598,260
TOTAL CASH OUTLAYS	689,258	534,648	63,612	598,260
EXCESS OF CASH RECEIVED OVER CASH OUTLAYS	<u>\$ -</u>	<u>97,203</u>	<u>(63,612)</u>	<u>33,591</u>
RECEIVABLES, June 30, 2014				\$ -
PAYABLES, June 30, 2014				-
FUND BALANCE, June 30, 2014				<u>\$ 33,591</u>

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STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME II



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

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

Federal Agency / Pass-Through Agency	Pass - Through	Federal CFDA Number	Federal Participating Expenditures
PUBLIC EDUCATION DEPARTMENT			
DEPARTMENT OF AGRICULTURE:			
Food and Nutrition Service:			
Child Nutrition Cluster:			
School Breakfast Program	Federal Direct	10.553	\$ 39,351,410
National School Lunch Program	Federal Direct	10.555	91,714,660
Total Child Nutrition Cluster			<u>131,066,070</u>
New Meal Patterns	Federal Direct	10.560	154,580
Fresh Fruit and Vegetable Program	Federal Direct	10.582	1,753,610
Direct Certification Grant	Federal Direct	10.589	247,186
Team Nutrition Grants	Federal Direct	10.574	44,291
Total Department of Agriculture			<u>133,265,737</u>
U.S. DEPARTMENT OF EDUCATION:			
Office of Elementary and Secondary Education:			
Title I Grants to Local Educational Agencies	Federal Direct	84.010A	119,821,215
Total Title I Grants to Local Education Agencies			<u>119,821,215</u>
School Improvement Cluster:			
School Achievement Fund 1003(g)	Federal Direct	84.377A	3,503,759
ARRA - School Improvement Grants, Recovery Act	Federal Direct	84.388A	694,422
Total School Improvement Cluster			<u>4,198,181</u>
Education for Homeless Children and Youth	Federal Direct	84.196A	504,864
Total Education for the Homeless			<u>504,864</u>
Migrant Education - State Grant Program	Federal Direct	84.011A	804,079
Title I Program for Neglected and Delinquent Children	Federal Direct	84.013A	379,627
MEP Consort. Incentive Grants (Migrant Consortium)	Federal Direct	84.144F	152,910
Twenty-first Century Community Learning Centers	Federal Direct	84.287C	5,340,831
Rural Education	Federal Direct	84.358B	1,244,292
Title III English Language Acquisition Grants	Federal Direct	84.365A	3,738,042
Mathematics and Science Partnerships	Federal Direct	84.366B	1,567,348
Title II Improving Teacher Quality State Grants	Federal Direct	84.367A	16,635,752
Grants for State Assessments and Related Activities	Federal Direct	84.369A	4,990,879
Striving Readers	Federal Direct	84.371B	34,715
Total Office of Elementary and Secondary Education			<u>159,412,735</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2014

Federal Agency / Pass-Through Agency	Pass - Through	Federal CFDA Number	Federal Participating Expenditures
U.S. DEPARTMENT OF EDUCATION - continued:			
Office of Special Education and Rehabilitative Services:			
Special Education Cluster (IDEA)			
Special Education - Grants to States	Federal Direct	84.027A	88,145,853
Special Education - Preschool Grants	Federal Direct	84.173A	3,057,451
Total Special Education Cluster (IDEA)			<u>91,203,304</u>
Special Education - State Personnel Development	Federal Direct	84.323A	<u>457,679</u>
Office of Innovation and Improvement:			
Charter Schools	Federal Direct	84.282A	1,422,866
Advance Placement Program	Federal Direct	84.330B	145,531
Race to the Top	Federal Direct	84.412A	2,816,789
Total Office of Innovation and Improvement			<u>4,385,186</u>
Office of Vocation and Adult Education:			
Carl Perkins - Voc. Educ. - Basic Grants to States/Adult Educ. - State Grant Program	Federal Direct	84.048A	7,688,337
Total Office of Vocational and Adult Education			<u>7,688,337</u>
Florida Department of Education:			
PARCC - Support of Governing States	Federal Direct	84.395B	<u>94,866</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>263,242,107</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
Centers for Disease Control and Prevention:			
Centers for Disease Control and Prev. - Investigations and Tech. Assistance	Federal Direct	93.283	234,748
Office of the Secretary			
Pregnancy Assistance Fund Program	Federal Direct	93.500	<u>1,569,592</u>
TOTAL EXPENDITURES - PUBLIC EDUCATION DEPARTMENT			<u><u>\$ 398,312,184</u></u>

See Notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
For the Year Ended June 30, 2014

Federal Agency / Pass-Through Agency	Pass - Through	Federal CFDA Number	Federal Participating Expenditures
DIVISION OF VOCATIONAL REHABILITATION			
U.S. DEPARTMENT OF EDUCATION:			
Office of Special Education and Rehabilitative Services:			
Rehabilitation Services Cluster			
Rehabilitation Services - Vocational Rehabilitation Grants to States	Federal Direct	84.126A	\$ 17,010,496
TOTAL REHABILITATION SERVICE CLUSTER			<u>17,010,496</u>
Independent Living State Grants	Federal Direct	84.169A	247,165
Rehab. Training - State Vocational Rehabilitation Unit In-Service Training	Federal Direct	84.265A	18,597
Supported Employment Services for Individuals with Severe Disabilities	Federal Direct	84.187A	238,404
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>17,514,662</u>
SOCIAL SECURITY ADMINISTRATION:			
Disability Insurance	Federal Direct	96.001	9,293,655
TOTAL SOCIAL SECURITY ADMINISTRATION			<u>9,293,655</u>
TOTAL EXPENDITURES - DIVISION OF VOCATIONAL REHABILITATION			<u>26,808,317</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 425,120,501</u></u>

See Notes to the Schedule of Expenditures of Federal Awards

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the State of New Mexico Public Education Department ("PED") under programs of the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of PED, it is not intended to and does not present the financial position or changes in net position of PED.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. NON-CASH ASSISTANCE

The Department did not receive any federal non-cash assistance during the year ended June 30, 2014.

NOTE 4. LOANS

The Department does not have any loans outstanding with the Federal government at June 30, 2014.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
84.010	Title I Grants to Local Educational Agencies		
		ALAMOGORDO PUBLIC SCHOOLS	\$ 1,414,691
		ALBUQUERQUE PUBLIC SCHOOLS	33,885,713
		ANIMAS PUBLIC SCHOOLS	104,898
		ARTESIA PUBLIC SCHOOLS	756,131
		AZTEC MUNICIPAL SCHOOLS DISTRICT #2	387,764
		BELEN CONSOLIDATED SCHOOLS	1,552,074
		BERNALILLO PUBLIC SCHOOLS	1,093,980
		BLOOMFIELD SCHOOLS	1,350,700
		CAPITAN MUNICIPAL SCHOOLS	79,535
		CARLSBAD MUNICIPAL SCHOOLS	964,102
		CARRIZOZO MUNICIPAL SCHOOLS	88,327
		CENTRAL CONSOLIDATED SCHOOLS #22	2,971,071
		CHAMA VALLEY INDEPENDENT	100,702
		CIMARRON MUNICIPAL SCHOOLS	79,264
		CLAYTON MUNICIPAL SCHOOLS	114,110
		CLOUDCROFT MUNICIPAL SCHOOLS	45,517
		CLOVIS MUNICIPAL SCHOOLS	2,282,434
		COBRE CONSOLIDATED SCHOOLS	518,723
		CORONA PUBLIC SCHOOLS	28,751
		CUBA INDEPENDENT SCHOOLS	837,706
		DEMING PUBLIC SCHOOLS	4,412,369
		DES MOINES MUNICIPAL SCHOOLS	118,747
		DEXTER CONSOLIDATED SCHOOLS	210,109
		DORA CONSOLIDATED SCHOOL	60,261
		DULCE INDEPENDENT SCHOOLS #21	257,502
		ELIDA MUNICIPAL SCHOOLS	14,718
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	1,662,573
		ESTANCIA BOARD OF EDUCATION	294,809
		EUNICE PUBLIC SCHOOLS	78,588
		FARMINGTON MUNICIPAL SCHOOLS	3,044,444
		FLOYD MUNICIPAL SCHOOLS	69,773
		FORT SUMNER MUNICIPAL SCHOOLS	101,845
		GADSDEN INDEPENDENT SCHOOL DISTRICT	9,203,443
		GALLUP MCKINLEY COUNTY SCHOOL	7,129,246
		GRADY MUNICIPAL SCHOOLS	32,208
		GRANTS/CIBOLA COUNTY SCHOOL	1,870,378
		HAGERMAN MUNICIPAL SCHOOLS	230,765
		HATCH VALLEY MUNICIPAL SCHOOLS	1,119,697
		HOBBS MUNICIPAL SCHOOLS	1,916,008
		HONDO VALLEY SCHOOLS	92,448
		HOUSE MUNICIPAL SCHOOL	1,298
		JAL PUBLIC SCHOOLS	85,665
		JEMEZ MOUNTAIN SCHOOL DISTRICT NO 53	104,245
		JEMEZ VALLEY PUBLIC SCHOOLS	123,908
		LAKE ARTHUR MUNICIPAL SCHOOLS	35,818
		LAS CRUCES SCHOOL DISTRICT #2	7,551,879
		LAS VEGAS CITY SCHOOLS	733,910
		LOGAN MUNICIPAL SCHOOL	32,469
		LORDSBURG MUNICIPAL SCHOOLS	252,372
		LOS LUNAS SCHOOLS	3,157,890
		LOVING MUNICIPAL SCHOOLS	111,920
		LOVINGTON MUNICIPAL SCHOOLS	479,730

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		MAGDALENA MUNICIPAL SCHOOLS	278,380
		MAXWELL MUNICIPAL SCHOOL	17,735
		MELROSE MUNICIPAL SCHOOLS	60,779
		MESA VISTA CONSOLIDATED SCHOOL	113,136
		MORA INDEPENDENT SCHOOLS	235,410
		MORIARTY MUNICIPAL SCHOOLS	752,813
		MOSQUERO MUNICIPAL SCHOOLS	10,617
		MOUNTAINAIR PUBLIC SCHOOLS	227,588
		PECOS INDEPENDENT SCHOOLS	294,322
		PENASCO INDEPENDENT SCHOOL DISTRICT	110,617
		POJOAQUE VALLEY SCHOOLS	367,437
		PORTALES MUNICIPAL SCHOOLS	983,122
		QUEMADO INDEPENDENT SCHOOL	104,172
		QUESTA INDEPENDENT SCHOOLS	145,016
		RATON PUBLIC SCHOOLS	331,854
		RESERVE SCHOOL DISTRICT	142,026
		RIO RANCHO PUBLIC SCHOOLS	1,872,414
		ROSWELL INDEPENDENT SCHOOL DISTRICT	4,135,195
		ROY MUNICIPAL SCHOOLS	22,316
		RUIDOSO MUNICIPAL SCHOOLS	646,169
		SAN JON MUNICIPAL SCHOOLS	56,276
		SANTA FE PUBLIC SCHOOLS	3,941,537
		SANTA ROSA CONSOLIDATED SCHOOL	216,681
		SILVER CITY CONSOLIDATED SCHOOLS	1,005,118
		SOCORRO CONSOLIDATED SCHOOLS	802,417
		SPRINGER MUNICIPAL SCHOOLS	69,465
		T OR C MUNICIPAL SCHOOLS	815,689
		TAOS MUNICIPAL SCHOOLS	1,193,524
		TATUM MUNICIPAL SCHOOLS	66,178
		TEXICO MUNICIPAL SCHOOL	196,267
		TUCUMCARI PUBLIC SCHOOLS	495,104
		TULAROSA MUNICIPAL SCHOOLS	797,808
		VAUGHN MUNICIPAL SCHOOLS	36,733
		WAGON MOUND PUBLIC SCHOOLS	124,619
		WEST LAS VEGAS SCHOOL DISTRICT	822,102
		ZUNI PUBLIC SCHOOL DISTRICT	1,258,340
		Total for CFDA 84.010	115,996,204
84.377A	School Achievement Fund 1003(g)		
		ALAMOGORDO PUBLIC SCHOOLS	507,903
		ALBUQUERQUE PUBLIC SCHOOLS	1,827,534
		DEMING PUBLIC SCHOOLS	150,617
		GALLUP MCKINLEY COUNTY SCHOOL	9,267
		PECOS INDEPENDENT SCHOOLS	642,978
		Total for CFDA 84.377A	3,138,299

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount	
84.011A	Migrant Education - State Grant Program			
		CLOVIS MUNICIPAL SCHOOLS	147,601	
		DEMING PUBLIC SCHOOLS	202,443	
		DEXTER CONSOLIDATED SCHOOLS	37,402	
		GADSDEN INDEPENDENT SCHOOL DISTRICT	112,244	
		HAGERMAN MUNICIPAL SCHOOLS	120,723	
		LAS CRUCES SCHOOL DISTRICT #2	11,722	
		PORTALES MUNICIPAL SCHOOLS	128,476	
		ROSWELL INDEPENDENT SCHOOL DISTRICT	412	
		T OR C MUNICIPAL SCHOOLS	29,284	
		Total for CFDA 84.011A		790,307
84.013A	Title I Program for Neglected and Delinquent Children			
		CENTRAL REGION EDUCATIONAL COOPERATIVE	376,937	
		Total for CFDA 84.013A		376,937
84.287C	Twenty-first Century Community Learning Centers			
		1ST CHOICE ENRICHMENT PROGRAMS	190,083	
		ALBUQUERQUE PUBLIC SCHOOLS	85,325	
		ATRISCO HERITAGE FOUNDATION	358,972	
		BERNALILLO PUBLIC SCHOOLS	182,970	
		CENTRAL CONSOLIDATED SCHOOLS #22	277,965	
		DULCE INDEPENDENT SCHOOLS #21	105,286	
		FARMINGTON MUNICIPAL SCHOOLS	75,815	
		GADSDEN INDEPENDENT SCHOOL DISTRICT	710,812	
		GALLUP MCKINLEY COUNTY SCHOOL	569,355	
		LAS CRUCES PUBLIC SCHOOLS	99,797	
		LAS VEGAS CITY SCHOOLS	49,862	
		NM COMMUNITY FOR LEARNING	229,110	
		REGIONAL EDUCATION CENTER #6	342,252	
		RIO GRANDE EDUCATIONAL COLLABORATIVE	352,351	
		SAN JUAN COUNTY PARTNERSHIP	179,068	
		SANTA FE PUBLIC SCHOOLS	330,436	
		SOCORRO CONSOLIDATED SCHOOLS	78,599	
		YOUTH DEVELOPMENT INC	448,761	
		Total for CFDA 84.287C		4,666,819
84.358B	Rural Education			
		ARTESIA PUBLIC SCHOOLS	83,147	
		CENTRAL CONSOLIDATED SCHOOLS #22	109,371	
		CLAYTON MUNICIPAL SCHOOLS	270	
		DEMING PUBLIC SCHOOLS	97,811	
		DULCE INDEPENDENT SCHOOLS #21	18,440	
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	96,285	
		GALLUP MCKINLEY COUNTY SCHOOL	184,940	
		GRANTS/CIBOLA COUNTY SCHOOL	70,157	
		HATCH VALLEY MUNICIPAL SCHOOLS	24,710	
		LAS VEGAS CITY SCHOOLS	24,041	
		LORDBURG MUNICIPAL SCHOOLS	5,207	
		LOVINGTON MUNICIPAL SCHOOLS	12,599	
		PORTALES MUNICIPAL SCHOOLS	51,845	
		RATON PUBLIC SCHOOLS	33,032	
		RUIDOSO MUNICIPAL SCHOOLS	37,979	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		SANTA ROSA CONSOLIDATED SCHOOL	10,962
		SILVER CITY CONSOLIDATED SCHOOLS	68,134
		SOCORRO CONSOLIDATED SCHOOLS	53,312
		T OR C MUNICIPAL SCHOOLS	40,361
		TAOS MUNICIPAL SCHOOLS	54,668
		TUCUMCARI PUBLIC SCHOOLS	18,070
		TULAROSA MUNICIPAL SCHOOLS	17,109
		WEST LAS VEGAS SCHOOL DISTRICT	28,323
		ZUNI PUBLIC SCHOOL DIST	29,780
		Total for CFDA 84.358B	1,170,553
84.365	Title III English Language Acquisition Grants		
		ALBUQUERQUE PUBLIC SCHOOLS	1,012,634
		ARTESIA PUBLIC SCHOOLS	4,653
		BELEN CONSOLIDATED SCHOOLS	24,210
		BERNALILLO PUBLIC SCHOOLS	41,224
		BLOOMFIELD SCHOOLS	18,858
		CENTRAL CONSOLIDATED SCHOOLS #22	41,551
		CLOVIS MUNICIPAL SCHOOLS	52,825
		COBRE CONSOLIDATED SCHOOLS	9,750
		CUBA INDEPENDENT SCHOOLS	20,105
		DEMING PUBLIC SCHOOLS	146,063
		DEXTER CONSOLIDATED SCHOOLS	13,512
		DULCE INDEPENDENT SCHOOLS #21	7,318
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	1,156
		FARMINGTON MUNICIPAL SCHOOLS	111,689
		GADSDEN INDEPENDENT SCHOOL DISTRICT	519,585
		GALLUP MCKINLEY COUNTY SCHOOL	181,908
		GRANTS/CIBOLA COUNTY SCHOOL	164
		HATCH VALLEY MUNICIPAL SCHOOLS	37,831
		HOBBS MUNICIPAL SCHOOLS	110,486
		JEMEZ MTN SCHOOL DIST NO 53	6,191
		LAS CRUCES SCHOOL DISTRICT #2	199,912
		LAS VEGAS CITY SCHOOLS	8,132
		LOS ALAMOS PUBLIC SCHOOLS	9,673
		LOS LUNAS SCHOOLS	64,991
		LOVINGTON MUNICIPAL SCHOOLS	31,562
		MESA VISTA CONSOLIDATED SCHOOL	6,157
		MORIARTY MUNICIPAL SCHOOLS	16,248
		PECOS INDEPENDENT SCHOOLS	13,025
		POJOAQUE VALLEY SCHOOLS	41,914
		PORTALES MUNICIPAL SCHOOLS	16,568
		RATON PUBLIC SCHOOLS	4,348
		REGION IX EDUCATION COOP	17,395
		REGIONAL EDUCATIONAL CENTER #7	11,346
		RIO RANCHO PUBLIC SCHOOLS	54,284
		ROSWELL INDEPENDENT SCHOOL DISTRICT	89,494
		SANTA FE PUBLIC SCHOOLS	460,789
		T OR C MUNICIPAL SCHOOLS	12,782
		TAOS MUNICIPAL SCHOOLS	26,704
		WEST LAS VEGAS SCHOOL DISTRICT	44,336
		ZUNI PUBLIC SCHOOL DISTRICT	23,358
		Total for CFDA 84.365	3,514,731

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
84.367A	Title II Improving Teacher Quality State Grants		
		ALAMOGORDO PUBLIC SCHOOLS	449,785
		ALBUQUERQUE PUBLIC SCHOOLS	3,193,922
		ANIMAS PUBLIC SCHOOLS	27,814
		ARTESIA PUBLIC SCHOOLS	181,044
		AZTEC MUNICIPAL SCHOOLS DISTRICT #2	145,192
		BELEN CONSOLIDATED SCHOOLS	389,122
		BERNALILLO PUBLIC SCHOOLS	188,037
		BLOOMFIELD SCHOOLS	179,175
		CAPITAN MUNICIPAL SCHOOLS	25,449
		CARLSBAD MUNICIPAL SCHOOLS	225,341
		CARRIZOZO MUNICIPAL SCHOOLS	12,889
		CENTRAL CONSOLIDATED SCHOOLS #22	593,620
		CHAMA VALLEY INDEPENDENT	26,117
		CIMARRON MUNICIPAL SCHOOLS	19,561
		CLAYTON MUNICIPAL SCHOOLS	15,875
		CLOUDCROFT MUNICIPAL SCHOOLS	13,750
		CLOVIS MUNICIPAL SCHOOLS	370,482
		COBRE CONSOLIDATED SCHOOLS	105,536
		CORAL COMMUNITY CHARTER	3,200
		CORONA PUBLIC SCHOOLS	7,114
		CUBA INDEPENDENT SCHOOLS	168,826
		DEMING PUBLIC SCHOOLS	283,998
		DES MOINES MUNICIPAL SCHOOLS	4,895
		DEXTER CONSOLIDATED SCHOOLS	46,329
		DORA CONSOLIDATED SCHOOL	5,483
		DULCE INDEPENDENT SCHOOLS #21	47,301
		ELIDA MUNICIPAL SCHOOLS	2,331
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	139,576
		ESTANCIA BOARD OF EDUCATION	41,979
		EUNICE PUBLIC SCHOOLS	14,773
		FARMINGTON MUNICIPAL SCHOOLS	425,777
		FLOYD MUNICIPAL SCHOOLS	7,852
		FORT SUMNER MUNICIPAL SCHOOLS	4,820
		GADSDEN INDEPENDENT SCHOOL DISTRICT	1,089,681
		GALLUP MCKINLEY COUNTY SCHOOL	1,002,646
		GRADY MUNICIPAL SCHOOLS	750
		GRANTS/CIBOLA COUNTY SCHOOL	289,120
		HAGERMAN MUNICIPAL SCHOOLS	26,884
		HATCH VALLEY MUNICIPAL SCHOOLS	109,801
		HOBBS MUNICIPAL SCHOOLS	366,146
		HONDO VALLEY SCHOOLS	9,575
		HOUSE MUNICIPAL SCHOOL	2,757
		JAL PUBLIC SCHOOLS	6,681
		JEMEZ MTN SCHOOL DIST NO 53	16,867
		JEMEZ VALLEY PUBLIC SCHOOLS	48,681
		LAKE ARTHUR MUNICIPAL SCHOOLS	5,406
		LAS CRUCES SCHOOL DISTRICT #2	1,266,824
		LAS VEGAS CITY SCHOOLS	114,995
		LOGAN MUNICIPAL SCHOOL	14,388
		LORDBURG MUNICIPAL SCHOOLS	39,781
		LOS ALAMOS PUBLIC SCHOOLS	58,549
		LOS LUNAS SCHOOLS	262,505

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		LOVING MUNICIPAL SCHOOLS	22,748
		LOVINGTON MUNICIPAL SCHOOLS	113,092
		MAGDALENA MUNICIPAL SCHOOLS	62,058
		MAXWELL MUNICIPAL SCHOOL	3,026
		MELROSE MUNICIPAL SCHOOLS	11,978
		MORA INDEPENDENT SCHOOLS	50,383
		MORIARTY MUNICIPAL SCHOOLS	124,710
		MOUNTAINAIR PUBLIC SCHOOLS	7,548
		NEW AMERICA SCHOOL LAS CRUCES	1,250
		PECOS INDEPENDENT SCHOOLS	69,926
		PENASCO INDEPENDENT SCHOOL DISTRICT	39,677
		POJOAQUE VALLEY SCHOOLS	40,669
		PORTALES MUNICIPAL SCHOOLS	192,194
		QUEMADO INDEPENDENT SCHOOL	2,105
		QUESTA INDEPENDENT SCHOOLS	37,575
		RATON PUBLIC SCHOOLS	41,281
		REGIONAL EDUCATION CENTER #6	24,916
		RESERVE SCHOOL DISTRICT	16,729
		RIO RANCHO PUBLIC SCHOOLS	312,381
		ROSWELL INDEPENDENT SCHOOL DISTRICT	608,543
		ROY MUNICIPAL SCHOOLS	985
		RUIDOSO MUNICIPAL SCHOOLS	84,493
		SAN JON MUNICIPAL SCHOOLS	7,776
		SANTA FE PUBLIC SCHOOLS	453,363
		SANTA ROSA CONSOLIDATED SCHOOL	103,778
		SILVER CITY CONSOLIDATED SCHOOLS	321,445
		SOCORRO CONSOLIDATED SCHOOLS	162,612
		SPRINGER MUNICIPAL SCHOOLS	6,138
		T OR C MUNICIPAL SCHOOLS	51,626
		TAOS MUNICIPAL SCHOOLS	177,709
		TATUM MUNICIPAL SCHOOLS	17,523
		TEXICO MUNICIPAL SCHOOL	25,436
		TUCUMCARI PUBLIC SCHOOLS	95,445
		TULAROSA MUNICIPAL SCHOOLS	114,167
		VAUGHN MUNICIPAL SCHOOLS	893
		WAGON MOUND PUBLIC SCHOOLS	11,340
		WEST LAS VEGAS SCHOOL DISTRICT	164,829
		ZUNI PUBLIC SCHOOL DIST	135,477
		Total for CFDA 84.367A	15,816,826
84.027A	Special Education - Grants to States		
		ALAMOGORDO PUBLIC SCHOOLS	1,423,095
		ALBUQUERQUE PUBLIC SCHOOLS	22,358,778
		ALBUQUERQUE SIGN LANGUAGE ACADEMY	109,868
		ANIMAS PUBLIC SCHOOLS	57,660

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		ARTESIA PUBLIC SCHOOLS	814,840
		AZTEC MUNICIPAL SCHOOLS DISTRICT #2	812,099
		BELEN CONSOLIDATED SCHOOLS	794,532
		BERNALILLO PUBLIC SCHOOLS	784,661
		BLOOMFIELD SCHOOLS	950,819
		CAPITAN MUNICIPAL SCHOOLS	152,380
		CARLSBAD MUNICIPAL SCHOOLS	1,418,193
		CARRIZOZO MUNICIPAL SCHOOLS	27,859
		CENTRAL CONSOLIDATED SCHOOLS #22	1,333,512
		CENTRAL REGION EDUCATIONAL COOPERATIVE	161,494
		CHAMA VALLEY INDEPENDENT	92,840
		CIEN AGUAS INTERNATIONAL SCHOOL	39,353
		CIMARRON MUNICIPAL SCHOOLS	126,517
		CLAYTON MUNICIPAL SCHOOLS	104,931
		CLOUDCROFT MUNICIPAL SCHOOLS	81,228
		CLOVIS MUNICIPAL SCHOOLS	1,835,814
		COBRE CONSOLIDATED SCHOOLS	359,290
		CORONA PUBLIC SCHOOLS	44,988
		CUBA INDEPENDENT SCHOOLS	230,615
		DEMING PUBLIC SCHOOLS	955,013
		DES MOINES MUNICIPAL SCHOOLS	32,892
		DEXTER CONSOLIDATED SCHOOLS	264,947
		DORA CONSOLIDATED SCHOOL	76,568
		DULCE INDEPENDENT SCHOOLS #21	160,103
		ELIDA MUNICIPAL SCHOOLS	23,548
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	1,028,219
		ESTANCIA BOARD OF EDUCATION	175,308
		EUNICE PUBLIC SCHOOLS	117,491
		FARMINGTON MUNICIPAL SCHOOLS	2,451,847
		FLOYD MUNICIPAL SCHOOLS	70,953
		FORT SUMNER MUNICIPAL SCHOOLS	88,561
		GADSDEN INDEPENDENT SCHOOL DISTRICT	3,338,286
		GALLUP MCKINLEY COUNTY SCHOOL	2,587,210
		GRADY MUNICIPAL SCHOOLS	20,958
		GRANTS/CIBOLA COUNTY SCHOOL	806,838
		HAGERMAN MUNICIPAL SCHOOLS	139,376
		HATCH VALLEY MUNICIPAL SCHOOLS	320,998
		HOBBS MUNICIPAL SCHOOLS	1,592,274
		HONDO VALLEY SCHOOLS	41,894
		HOUSE MUNICIPAL SCHOOL	19,530

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		JAL PUBLIC SCHOOLS	116,537
		JEMEZ MTN SCHOOL DIST NO 53	37,108
		JEMEZ VALLEY PUBLIC SCHOOLS	107,826
		LAKE ARTHUR MUNICIPAL SCHOOLS	68,215
		LAS CRUCES SCHOOL DISTRICT #2	5,879,537
		LAS VEGAS CITY SCHOOLS	477,052
		LOGAN MUNICIPAL SCHOOL	66,804
		LORDSBURG MUNICIPAL SCHOOLS	149,092
		LOS ALAMOS PUBLIC SCHOOLS	804,019
		LOS LUNAS SCHOOLS	2,023,159
		LOVING MUNICIPAL SCHOOLS	172,755
		LOVINGTON MUNICIPAL SCHOOLS	718,582
		MAGDALENA MUNICIPAL SCHOOLS	106,969
		MAXWELL MUNICIPAL SCHOOL	49,428
		MELROSE MUNICIPAL SCHOOLS	61,754
		MESA VISTA CONSOLIDATED SCHOOL	98,464
		MORA INDEPENDENT SCHOOLS	164,239
		MORIARTY MUNICIPAL SCHOOLS	928,611
		MOSQUERO MUNICIPAL SCHOOLS	15,797
		MOUNTAINAIR PUBLIC SCHOOLS	87,338
		NEW MEXICO SCHOOL FOR THE ARTS	26,647
		NEW MEXICO SCHOOL FOR THE DEAF	33,649
		NM INTERNATIONAL SCHOOL, THE	21,036
		NM SCHL FOR THE BLIND & VISUALLY IMPAIRED	35,068
		PECOS INDEPENDENT SCHOOLS	167,394
		PENASCO INDEPENDENT SCHOOL DISTRICT	117,494
		POJOAQUE VALLEY SCHOOLS	480,809
		PORTALES MUNICIPAL SCHOOLS	734,733
		QUEMADO INDEPENDENT SCHOOL	12,124
		QUESTA INDEPENDENT SCHOOLS	104,019
		RATON PUBLIC SCHOOLS	317,784
		RESERVE SCHOOL DISTRICT	54,089
		RIO RANCHO PUBLIC SCHOOLS	3,099,697
		ROSWELL INDEPENDENT SCHOOL DISTRICT	2,363,725
		ROY MUNICIPAL SCHOOLS	28,293
		RUIDOSO MUNICIPAL SCHOOLS	500,191

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		SAN JON MUNICIPAL SCHOOLS	29,217
		SANTA FE PUBLIC SCHOOLS	3,179,356
		SANTA ROSA CONSOLIDATED SCHOOL	194,721
		SILVER CITY CONSOLIDATED SCHOOLS	1,047,768
		SOCORRO CONSOLIDATED SCHOOLS	466,624
		SPRINGER MUNICIPAL SCHOOLS	65,913
		T OR C MUNICIPAL SCHOOLS	380,162
		TAOS MUNICIPAL SCHOOLS	752,914
		TATUM MUNICIPAL SCHOOLS	160,946
		TEXICO MUNICIPAL SCHOOL	128,037
		TUCUMCARI PUBLIC SCHOOLS	314,954
		TULAROSA MUNICIPAL SCHOOLS	272,092
		UPLIFT COMMUNITY SCHOOL	45,212
		VAUGHN MUNICIPAL SCHOOLS	25,096
		WAGON MOUND PUBLIC SCHOOLS	38,460
		WEST LAS VEGAS SCHOOL DISTRICT	371,288
		ZUNI PUBLIC SCHOOL DIST	396,251
		Total for CFDA 84.027A	76,527,229
84.173	Special Education - Preschool Grants		
		ALAMOGORDO PUBLIC SCHOOLS	59,529
		ALBUQUERQUE PUBLIC SCHOOLS	354,634
		ARTESIA PUBLIC SCHOOLS	37,626
		AZTEC MUNICIPAL SCHOOLS DISTRICT #2	10,345
		BELEN CONSOLIDATED SCHOOLS	21,298
		BERNALILLO PUBLIC SCHOOLS	25,783
		BLOOMFIELD SCHOOLS	23,637
		CAPITAN MUNICIPAL SCHOOLS	3,264
		CARLSBAD MUNICIPAL SCHOOLS	47,541
		CARRIZO MUNICIPAL SCHOOLS	2,417
		CENTRAL CONSOLIDATED SCHOOLS #22	68,624
		CHAMA VALLEY INDEPENDENT	2,770
		CIMARRON MUNICIPAL SCHOOLS	12,994
		CLAYTON MUNICIPAL SCHOOLS	11,286
		CLOVIS MUNICIPAL SCHOOLS	79,291
		COBRE CONSOLIDATED SCHOOLS	5,900
		CORONA PUBLIC SCHOOLS	374
		CUBA INDEPENDENT SCHOOLS	8,678
		DEMING PUBLIC SCHOOLS	24,574
		DES MOINES MUNICIPAL SCHOOLS	933
		DEXTER CONSOLIDATED SCHOOLS	9,903
		DORA CONSOLIDATED SCHOOL	14,888

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		DULCE INDEPENDENT SCHOOLS #21	6,343
		ELIDA MUNICIPAL SCHOOLS	3,159
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	21,473
		ESTANCIA BOARD OF EDUCATION	13,293
		EUNICE PUBLIC SCHOOLS	7,093
		FARMINGTON MUNICIPAL SCHOOLS	61,690
		FLOYD MUNICIPAL SCHOOLS	13,262
		FORT SUMNER MUNICIPAL SCHOOLS	4,578
		GADSDEN INDEPENDENT SCHOOL DISTRICT	79,319
		GALLUP MCKINLEY COUNTY SCHOOL	94,315
		GRADY MUNICIPAL SCHOOLS	1,139
		GRANTS/CIBOLA COUNTY SCHOOL	10,921
		HAGERMAN MUNICIPAL SCHOOLS	6,455
		HATCH VALLEY MUNICIPAL SCHOOLS	14,226
		HOBBS MUNICIPAL SCHOOLS	50,709
		HONDO VALLEY SCHOOLS	248
		HOUSE MUNICIPAL SCHOOL	3,820
		JAL PUBLIC SCHOOLS	11,808
		JEMEZ VALLEY PUBLIC SCHOOLS	5,062
		LAKE ARTHUR MUNICIPAL SCHOOLS	2,885
		LAS CRUCES SCHOOL DISTRICT #2	129,921
		LAS VEGAS CITY SCHOOLS	8,071
		LOGAN MUNICIPAL SCHOOL	5,129
		LORDSBURG MUNICIPAL SCHOOLS	22,164
		LOS ALAMOS PUBLIC SCHOOLS	22,039
		LOS LUNAS SCHOOLS	56,156
		LOVING MUNICIPAL SCHOOLS	6,982
		LOVINGTON MUNICIPAL SCHOOLS	40,883
		MAGDALENA MUNICIPAL SCHOOLS	7,670
		MAXWELL MUNICIPAL SCHOOL	2,392
		MELROSE MUNICIPAL SCHOOLS	4,433
		MESA VISTA CONSOLIDATED SCHOOL	4,196
		MORA INDEPENDENT SCHOOLS	6,584
		MORIARTY MUNICIPAL SCHOOLS	37,167
		MOSQUERO MUNICIPAL SCHOOLS	2,481
		MOUNTAINAIR PUBLIC SCHOOLS	852
		PECOS INDEPENDENT SCHOOLS	3,234
		PENASCO INDEPENDENT SCHOOL DISTRICT	3,484
		POJOAQUE VALLEY SCHOOLS	2,208
		PORTALES MUNICIPAL SCHOOLS	18,407
		QUEMADO INDEPENDENT SCHOOL	1,146
		QUESTA INDEPENDENT SCHOOLS	3,675
		RATON PUBLIC SCHOOLS	29,042
		RESERVE SCHOOL DISTRICT	7,847
		RIO RANCHO PUBLIC SCHOOLS	51,530
		ROSWELL INDEPENDENT SCHOOL DISTRICT	96,440
		RUIDOSO MUNICIPAL SCHOOLS	35,284
		SAN JON MUNICIPAL SCHOOLS	4,438
		SANTA FE PUBLIC SCHOOLS	44,265
		SANTA ROSA CONSOLIDATED SCHOOL	9,453
		SILVER CITY CONSOLIDATED SCHOOLS	39,221
		SOCORRO CONSOLIDATED SCHOOLS	12,316
		SPRINGER MUNICIPAL SCHOOLS	6,512

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		T OR C MUNICIPAL SCHOOLS	12,827
		TAOS MUNICIPAL SCHOOLS	23,174
		TATUM MUNICIPAL SCHOOLS	20,565
		TEXICO MUNICIPAL SCHOOL	8,586
		TUCUMCARI PUBLIC SCHOOLS	20,246
		TULAROSA MUNICIPAL SCHOOLS	9,325
		VAUGHN MUNICIPAL SCHOOLS	649
		WAGON MOUND PUBLIC SCHOOLS	886
		WEST LAS VEGAS SCHOOL DISTRICT	12,612
		ZUNI PUBLIC SCHOOL DIST	3,825
		Total for CFDA 84.173	2,076,404
84.048A	Carl Perkins - Voc. Educ. - Basic Grants to States/Adult Educ. - State Grant Program		
		ALAMO NAVAJO SCHOOL BOARD INC	28,095
		ALAMOGORDO PUBLIC SCHOOLS	59,676
		ALBUQUERQUE PUBLIC SCHOOLS	1,221,474
		AZTEC MUNICIPAL SCHOOLS DISTRICT #2	17,834
		BELEN CONSOLIDATED SCHOOLS	103,642
		BERNALILLO PUBLIC SCHOOLS	96,944
		BLOOMFIELD SCHOOLS	35,023
		CARLSBAD MUNICIPAL SCHOOLS	107,066
		CENTRAL CONSOLIDATED SCHOOLS #22	44,138
		CENTRAL NEW MEXICO COMMUNITY COLLEGE	1,031,172
		CLOVIS COMMUNITY COLLEGE	116,876
		CLOVIS MUNICIPAL SCHOOLS	79,681
		DEMING PUBLIC SCHOOLS	40,242
		DEXTER CONSOLIDATED SCHOOLS	27,239
		EASTERN NEW MEXICO UNIVERSITY-ROSWELL	134,375
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	67,753
		FARMINGTON MUNICIPAL SCHOOLS	112,528
		GADSDEN INDEPENDENT SCHOOL DISTRICT	324,956
		GALLUP MCKINLEY COUNTY SCHOOL	38,861
		GRANTS/CIBOLA COUNTY SCHOOL	59,511
		HOBBS MUNICIPAL SCHOOLS	73,575
		LAKE ARTHUR MUNICIPAL SCHOOLS	224
		LAS CRUCES PUBLIC SCHOOLS	95,428
		LAS CRUCES SCHOOL DISTRICT #2	181,834
		LOS ALAMOS PUBLIC SCHOOLS	1,201
		LOS LUNAS SCHOOLS	76,796
		LOVING MUNICIPAL SCHOOLS	17,250
		MORA INDEPENDENT SCHOOLS	46,275
		NEW MEXICO JUNIOR COLLEGE	10,521
		NORTHEAST REGIONAL EDUCATION	49,448
		NORTHERN NEW MEXICO COLLEGE	78,645
		PECOS VALLEY REGIONAL EDU CTR8	13,728
		PORTALES MUNICIPAL SCHOOLS	38,549
		REGENTS OF NEW MEXICO STATE UNIVERSITY	613,329
		REGION IX EDUCATION COOP	81,616
		RIO RANCHO PUBLIC SCHOOLS	166,911
		ROSWELL INDEPENDENT SCHOOL DISTRICT	116,877
		SAN JUAN COLLEGE	333,464
		SANTA FE COMMUNITY COLLEGE	175,336
		SANTA FE PUBLIC SCHOOLS	159,927

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		SOCORRO CONSOLIDATED SCHOOLS	22,059
		T OR C MUNICIPAL SCHOOLS	21,493
		TAOS MUNICIPAL SCHOOLS	38,136
		THE UNIVERSITY OF NEW MEXICO	294,096
		WESTERN NEW MEXICO UNIVERSITY	99,870
		ZUNI PUBLIC SCHOOL DIST	40,793
		Total for CFDA 84.048A	<u>6,594,467</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u><u>\$ 230,668,776</u></u>

DEPARTMENT OF AGRICULTURE

10.555	National School Lunch Program		
		ALAMO NAVAJO SCHOOL BOARD INC	250,755
		ALAMOGORDO PUBLIC SCHOOLS	1,807,749
		ALBUQUERQUE ACADEMY	60,149
		ALBUQUERQUE PUBLIC SCHOOLS	27,936,779
		ANIMAS PUBLIC SCHOOLS	60,987
		ARTESIA PUBLIC SCHOOLS	975,174
		AZTEC MUNICIPAL SCHOOLS DISTRICT #2	976,255
		BELEN CONSOLIDATED SCHOOLS	2,356,748
		BERNALILLO PUBLIC SCHOOLS	1,794,080
		BERNALILLO, COUNTY OF	93,043
		BLOOMFIELD SCHOOLS	1,304,623
		CAPITAN MUNICIPAL SCHOOLS	174,667
		CARLSBAD MUNICIPAL SCHOOLS	2,639,440
		CARRIZO MUNICIPAL SCHOOLS	75,402
		CENTRAL CONSOLIDATED SCHOOLS #22	3,317,440
		CHAVES COUNTY	19,977
		CHRIST LUTHERAN CHURCH	3,197
		CIMARRON MUNICIPAL SCHOOLS	204,067
		CLAYTON MUNICIPAL SCHOOLS	181,825
		CLOUDCROFT MUNICIPAL SCHOOLS	48,613
		CLOVIS MUNICIPAL SCHOOLS	3,462,318
		COBRE CONSOLIDATED SCHOOLS	789,102
		CORONA PUBLIC SCHOOLS	37,788
		CUBA INDEPENDENT SCHOOLS	267,354
		CURRY COUNTY	15,181
		CYFD	364,247
		DEMING PUBLIC SCHOOLS	3,360,141
		DES MOINES MUNICIPAL SCHOOLS	29,999
		DEXTER CONSOLIDATED SCHOOLS	633,519
		DOI BUREAU OF INDIAN EDUCATION	3,438,433
		DONA ANA COUNTY	22,454
		DORA CONSOLIDATED SCHOOL	56,124
		DULCE INDEPENDENT SCHOOLS #21	349,483
		DZILTH-NA-O-DITH-HLE COMMUNITY	110,506
		ELIDA MUNICIPAL SCHOOLS	55,152
		ESPANOLA PUBLIC SCHOOL DISTRICT #55	1,738,992
		ESTANCIA BOARD OF EDUCATION	329,243
		EUNICE PUBLIC SCHOOLS	244,877
		FAMILIES AND YOUTH INC	4,566
		FARMINGTON MUNICIPAL SCHOOLS	3,051,149
		FLOYD MUNICIPAL SCHOOLS	101,450

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		FORT SUMNER MUNICIPAL SCHOOLS	123,409
		GADSDEN INDEPENDENT SCHOOL DISTRICT	9,122,354
		GALLUP CATHOLIC	11,405
		GALLUP MCKINLEY COUNTY SCHOOL	5,307,079
		GRADY MUNICIPAL SCHOOLS	32,426
		GRANTS/CIBOLA COUNTY SCHOOL	1,738,829
		HAGERMAN MUNICIPAL SCHOOLS	245,346
		HATCH VALLEY MUNICIPAL SCHOOLS	814,820
		HOBBS MUNICIPAL SCHOOLS	2,605,988
		HOLY CROSS SCHOOL SC	14,386
		HOLY GHOST SCHOOL	10,514
		HONDO VALLEY SCHOOLS	64,532
		HOUSE MUNICIPAL SCHOOL	12,378
		IMMANUEL LUTHERAN CHURCH/SCHOOL	14,714
		JAL PUBLIC SCHOOLS	124,647
		JEMEZ MTN SCHOOL DIST NO 53	139,203
		JEMEZ VALLEY PUBLIC SCHOOLS	232,471
		LAKE ARTHUR MUNICIPAL SCHOOLS	87,287
		LAS CRUCES CATHOLIC SCHOOL INC	12,966
		LAS CRUCES SCHOOL DISTRICT #2	8,605,314
		LAS VEGAS CITY SCHOOLS	632,229
		LEA COUNTY	15,796
		LOGAN MUNICIPAL SCHOOL	97,162
		LORDSBURG MUNICIPAL SCHOOLS	255,035
		LOS ALAMOS PUBLIC SCHOOLS	74,520
		LOS LUNAS SCHOOLS	3,837,782
		LOVING MUNICIPAL SCHOOLS	369,413
		LOVINGTON MUNICIPAL SCHOOLS	983,716
		MAGDALENA MUNICIPAL SCHOOLS	179,859
		MAXWELL MUNICIPAL SCHOOL	40,010
		MELROSE MUNICIPAL SCHOOLS	55,856
		MESA VISTA CONSOLIDATED SCHOOL	198,078
		MESCALERO APACHE SCHOOL	243,845
		MORA INDEPENDENT SCHOOLS	311,213
		MORIARTY MUNICIPAL SCHOOLS	853,457
		MOSQUERO MUNICIPAL SCHOOLS	8,513
		MOUNTAINAIR PUBLIC SCHOOLS	135,156
		NA NEELZHIIN JI OLTA INC	114,988
		NEW MEXICO SCHOOL FOR THE ARTS	14,967
		NEW MEXICO SCHOOL FOR THE DEAF	75,832
		NM DEPARTMENT OF MILITARY AFFAIRS	92,306
		NM SCHL FOR THE BLIND & VISUALLY IMPAIRED	17,400
		NM SCHOOL FOR ARCHITECTURE CONSTRUCTION	79,838
		OHKAY OWINGEH COMMUNITY SCHOOL	56,723
		OUR LADY OF ASSUMPTION	10,247
		OUR LADY OF FATIMA	7,489
		PECOS INDEPENDENT SCHOOLS	353,782
		PENASCO INDEPENDENT SCHOOL DISTRICT	216,500
		POJOAQUE VALLEY SCHOOLS	702,316
		PORTALES MUNICIPAL SCHOOLS	1,217,861
		PUBLIC ACADEMY PERFORMING ARTS	50,955
		PUEBLO OF LAGUNA DEPARTMENT OF EDUCATION	165,818
		QUAY COUNTY	3,955

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2014

Note 5 - Subrecipients of Grant Awards

U.S. DEPARTMENT OF EDUCATION

Federal CFDA Number	Program Name	Subrecipient Name	Amount
		QUEEN OF HEAVEN SCHOOL	6,832
		QUEMADO INDEPENDENT SCHOOL	64,836
		QUESTA INDEPENDENT SCHOOLS	236,724
		RAMAH NAVAJO SCHOOL BOARD INC	99,500
		RATON PUBLIC SCHOOLS	479,689
		REHOBOTH CHRISTIAN SCHOOL	118,777
		RESERVE SCHOOL DISTRICT	62,716
		RIO RANCHO PUBLIC SCHOOLS	3,402,259
		ROSWELL INDEPENDENT SCHOOL DISTRICT	5,366,528
		ROY MUNICIPAL SCHOOLS	13,472
		RUIDOSO MUNICIPAL SCHOOLS	834,236
		SAN DIEGO RIVERSIDE SCHOOL	68,067
		SAN FELIPE DE NERI SCHOOL	37,206
		SAN JON MUNICIPAL SCHOOLS	43,292
		SAN JUAN, COUNTY OF	74,838
		SANTA FE INDIAN SCHOOL INC	203,051
		SANTA FE PUBLIC SCHOOLS	4,673,107
		SANTA FE, COUNTY OF	33,665
		SANTA ROSA CONSOLIDATED SCHOOL	399,917
		SANTO NINO REGIONAL CATHOLIC SCHOOL	41,296
		SEQUOYAH ADOLESCENT CENTER	27,580
		SHIPROCK ALTERNATIVE SCHOOLS INC	186,088
		SILVER CITY CONSOLIDATED SCHOOLS	1,049,865
		SOCORRO CONSOLIDATED SCHOOLS	1,004,990
		SPRINGER MUNICIPAL SCHOOLS	98,479
		ST ANTHONY INDIAN SCHOOL INC	74,379
		ST BONAVENTURE INDIAN MISSION AND SCHOOL	123,367
		ST CHARLES BORROMEIO SCHOOL	26,476
		ST FRANCIS OF ASSISI SCHOOL	42,121
		ST FRANCIS SCHOOL	32,858
		ST JOSEPH MISSION SCHOOL	19,730
		ST MARY SCHOOL	58,686
		ST MARY SCHOOL LUNCH PROGRAM	16,135
		ST THERESE CATHOLIC SCHOOL	21,001
		ST. TERESA OF AVILA SCHOOL, INC.	26,636
		ST. THOMAS AQUINAS SCHOOL	28,584
		T OR C MUNICIPAL SCHOOLS	642,031
		TAOS MUNICIPAL SCHOOLS	1,247,928
		TATUM MUNICIPAL SCHOOLS	93,499
		TEXICO MUNICIPAL SCHOOL	154,764
		TOHAJILEE COMMUNITY SCHOOL BOA	194,026
		TUCUMCARI PUBLIC SCHOOLS	541,364
		TULAROSA MUNICIPAL SCHOOLS	441,610
		UNIVERSITY OF NEW MEXICO HOSPITAL	24,342
		UPLIFT COMMUNITY SCHOOL	31,580
		VAUGHN MUNICIPAL SCHOOLS	62,618
		WAGON MOUND PUBLIC SCHOOLS	29,291
		WALATOWA CHARTER HIGH SCHOOL	29,041
		WEST LAS VEGAS SCHOOL DISTRICT	1,018,948
		YOUTH DEVELOPMENT INC	19,135
		ZUNI PUBLIC SCHOOL DIST	814,592
		Total for CFDA 10.555	<u>127,977,485</u>
TOTAL DEPARTMENT OF AGRICULTURE			<u>\$ 127,977,485</u>
TOTAL SUBRECIPIENT FUNDS PASSED THROUGH			<u>\$ 358,646,261</u>

COMPLIANCE

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

To Hanna Skandera, Secretary of Education
New Mexico Public Education Department
and Mr. Tim Keller
New Mexico State Auditor

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 discretely presented component unit (New Mexico state chartered charter schools), each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general and major special revenue funds of the New Mexico Education Department ("Department"), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements, and the Department's nonmajor governmental funds and fiduciary funds, and the budgetary comparison for all nonmajor funds presented as supplementary information in the accompanying combining and individual fund financial statements, and have issued our report thereon dated July 1, 2015. We modified our opinion on one component unit's Statement of Net Position and disclaimed our opinion on seven component unit's full or partial statements. See our opinion beginning on page 9 of this volume for further detail.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department'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 Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

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

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies, described in the accompanying schedule of findings

and questioned costs, to be material weaknesses.

Entity	Material Weakness Reference
Public Education Department	2011-001, 2013-002
Academy of Trades and Technology Foundation	2012-002
Amy Biehl Charter High School	2014-004
Creative Education Preparatory Institute	2009-024, 2011-001, 2011-003, 2014-001
Estancia Valley Classical Academy	2014-002
Estancia Valley Classical Academy Foundation	2014-003
Gilbert L. Sena Charter High School	2014-001
La Jicarita Community School	2014-003
La Resolana Leadership Academy	2014-001
McCurdy Charter School	2014-002
Ralph J Bunche Academy	2009-164
Southwest Aeronautics, Mathematics, and Science Academy	2014-001
Southwest Intermediate Learning Center	2014-001
Southwest Primary Learning Center	2014-001
Southwest Secondary Learning Center	2014-001

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. We consider the following deficiencies, described in the accompany schedule of findings and questioned costs, to be significant deficiencies.

Entity	Significant Deficiency Reference
Public Education Department	2013-001, 2014-001, 2014-009
Division of Vocational Rehabilitation	2012-002, 2014-003
Anthony Charter School	2014-004
Cien Aguas International School	2014-004
Creative Education Preparatory Institute	2014-003
East Mountain High School	2014-001, 2014-002
J. Paul Taylor Academy	2014-001
La Jicarita Community School	2014-002, 2014-004
La Promesa Early Learning Center	2014-001
La Tierra Montessori School for the Arts and Sciences	2014-001
The Master's Program	2014-002
McCurdy Charter School	2014-001, 2014-004, 2014-005, 2014-006
Mission Achievement and Success	2014-001
New Mexico Connections Academy	2014-004
New Mexico International School	2014-001
Sage Montessori Charter School	2014-001
Uplift Community School	2014-001

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 questioned costs as items:

Entity	Compliance and Other Matters Reference
Public Education Department	2012-005, 2013-003, 2013-005, 2014-002, 2014-008, 2014-010
Division of Vocational Rehabilitation	2013-002, 2014-004
Academy of Trades and Technology Foundation	2013-001
Academy of Trades and Technology	2014-001
ACE Leadership High School	2014-001
Albuquerque Institute for Mathematics and Science	2014-001
Albuquerque School of Excellence	2014-001, 2014-002
Albuquerque Sign Language Academy	2014-001, 2014-002
Aldo Leopold High School	2011-007
Alma D’Arte Charter High School	2014-001, 2014-002
Amy Biehl Charter High School	2014-001, 2014-002, 2014-003
Anthony Charter School	2014-001, 2014-002, 2014-003
The Ask Academy	2013-001
Cesar Chaves Community School	2013-001, 2014-001, 2014-002
Cien Aguas International School	2013-001, 2013-002, 2014-001, 2014-002, 2014-003
Coral Community Charter School	2014-001, 2014-002
Cottonwood Classical Preparatory School	2014-001, 2014-002, 2014-003
Creative Education Preparatory Institute	2011-002, 2012-003, 2013-001, 2013-002, 2014-002, 2014-004, 2014-005
East Mountain High School	2014-003
Estancia Valley Classical Academy	2014-001
Gilbert L. Sena Charter High School	2014-002
Health Leadership High School	2014-001, 2014-002
Horizon Academy West	2014-001, 2014-002, 2014-003, 2014-004, 2014-005
The International School at Mesa Del Sol	2013-001, 2014-001, 2014-002
La Jicarita Community School	2013-002, 2014-001
La Promesa Early Learning Center	2014-002, 2014-003
The Master’s Program	2014-001, 2014-003
McCurdy Charter School	2013-002, 2014-003, 2014-007
Media Arts Collaborative Charter School	2014-001
Mission Achievement and Success	2014-002
Montessori Elementary	2010-030, 2010-031

Entity	Compliance and Other Matters Reference
New America School	2012-002, 2014-001
New America School of Las Cruces	2014-001, 2014-002
New Mexico Connections Academy	2014-001, 2014-002, 2014-003, 2014-005, 2014-006
New Mexico International School	2014-002, 2014-003, 2014-004, 2014-005
New Mexico School for the Arts	2014-001, 2014-002, 2014-003
North Valley Academy	2014-001, 2014-002, 2014-003
Ralph J Bunche Academy	2014-001, 2014-002, 2014-003, 2014-004
Red River Valley Charter School	2014-001, 2014-002
Sage Montessori Charter School	2014-002, 2014-003
School of Dreams Academy	2014-001
Southwest Aeronautics, Mathematics, and Science Academy	2014-002
Southwest Intermediate Learning Center	2014-002
Southwest Primary Learning Center	2014-002
Southwest Secondary Learning Center	2014-002
Taos Academy	2014-001
Taos Integrated School of the Arts	2014-001
The Learning Community Charter School	2009-003, 2013-002, 2014-001, 2014-002, 2014-003
Tierra Adentro	2014-001
Uplift Community School	2013-002, 2014-002, 2014-003, 2014-004
Walatowa High Charter School	2013-001, 2013-004, 2013-008, 2014-001, 2014-002
William W. & Josephine Dorn Charter Community School	2014-001, 2014-002, 2014-003, 2014-004, 2014-005

Department's Response to Findings

The Department's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's responses were not subjected 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 results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Albuquerque, New Mexico
July 1, 2015

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

To Hanna Skandera, Secretary of Education
New Mexico Public Education Department
and Mr. Tim Keller
New Mexico State Auditor

Report on Compliance for Each Major Federal Program

We have audited the New Mexico Education Department's ("Department") compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have direct and material effect on each of the Department's major federal programs for the year ended June 30, 2014. The Department'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 Department'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 Department'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 Department's compliance.

Basis for Modified Opinion on the Rehabilitation Services CFDA 84.126A Program

As described in the accompanying schedule of findings and questioned costs, the Department did not comply with requirements regarding CFDA 84.126A Rehabilitation Services as described in finding number 2014-006 for Period of Availability. Compliance with such requirements is necessary, in our opinion, for the Department to comply with the requirements applicable to that program.

Modified Opinion on the Rehabilitation Services CFDA 84.126A Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the Department complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 84.126A Rehabilitation Services for the year ended June 30, 2014.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the Department 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 other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-006 and 2014-005. Our opinion on each major federal program is not modified with respect to these matters.

The Department's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the Department 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 Department'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 Department's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the

deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-006 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2014-007 to be a significant deficiency.

The Department's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Department's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Albuquerque, New Mexico
July 1, 2015

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended June 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified, disclaimer on multiple aggregate discretely presented component units

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements Noted?

Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of Auditor’s Report issued on compliance for major programs:

Modified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes No

Identification of Major Programs

<i>CFDA Numbers</i>	<i>Name of Federal Program or Cluster</i>
10.553/10.555	Child Nutrition Cluster
84.010A	Title I Grants to Local Educational Agencies
84.027A/84.173A	Special Education Cluster
84.377A/84.388A	School Improvement Grants Cluster
84.126A	Rehabilitation Services
96.001	Social Security – Disability Insurance

Dollar threshold used to distinguish between type A and type B programs:

\$3,000,000

Auditee qualified as low-risk auditee?

Yes No

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

Section II – Findings – Financial Statement Audit

The State of New Mexico Public Education Department is made up of two distinct appropriated entities and 55 state authorized chartered schools: the Public Education Department and the Division of Vocational Rehabilitation, and the various State authorized charter schools.

PUBLIC EDUCATION DEPARTMENT FINDINGS

2011-001 [PED 2011-01] Financial Close and Reporting (Material Weakness)

Condition: During our testwork over the financial close and reporting process it was noted that the Department does not have policies and procedures in place to ensure that balance sheet accounts are reconciled on a monthly basis. The following items were noted:

- During our testwork over the cash receipts process, it was noted that cash payments received through the CyberSource online payment system are not reconciled with payments recorded in SHARE.
- During our testwork over cash it was noted that there is no monthly proof of cash reconciliation performed at the Agency level to ensure that cash balances reported in SHARE are correctly stated at month end and year end.
- During our testwork over accounts receivable we noted the following accounts receivable were unreconciled and required the following adjustments:
 - Fund 05700 was materially overstated in the amount of \$403,726.
 - Fund 79000 was materially overstated in the amount of \$445,416.
 - Fund 45800 was overstated in the amount of \$25,733.
 - Fund 81600 was overstated in the amount of \$20,972.
 - Additional entry in the amount of \$3,054,033 to fund 89200 to correct overstatement of revenues.

Criteria: The Manual of Accounting Practices requires that all state agencies “perform monthly reconciliations” and “Maintain accounts and information as necessary to show the sources of state revenues and the purpose for which expenditures are made and provide proper accounting control to protect state finances”. Additionally, Section 6-5-2, NMSA 1978 states that “State agencies shall comply with the Model Accounting Practices established by the Financial Control Division of the Department of Finance and Administration and the administrative head of each agency shall ensure that the Model Accounting Practices are followed.”

Effect: Without timely reconciliations and dispositions of old balances, there is an increased risk of error or fraud in the financial records.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2011-001 [PED 2011-01] Financial Close and Reporting (Material Weakness)(Continued)

Cause: The Department has not had adequate resources to develop well-established policies and procedures over financial close and reporting. Additionally, the Department has limited staffing resources to complete timely reconciliations and research old account balances.

Recommendation: We recommend that the Department continue to develop policies and procedures to outline the requirements, timeliness and responsibilities over the financial close and reporting process, obtain the necessary staffing to carry this out, this includes reconciling all balances and determining the appropriate disposition of old balances.

Management's Response: Management concurs with the finding. The Department has implemented policies and procedures to perform a monthly proof of cash. During the monthly proof of cash process, the Department reviews balance sheet items for accuracy. The monthly proof of cash is then reviewed and approved by the Department's Chief Financial Officer. Additionally, the Audit and Accounting Bureau in collaboration with the Licensure Bureau has developed a reconciliation process for CyberSource revenue. The Licensure Bureau is now performing quarterly reconciliations throughout the year with the exception of periods of high volume licensure renewals when, the reconciliations will be performed monthly.

Outstanding accounts receivable balances have been recorded on the Department's financial statements since the inception of SHARE. Policies and procedures are now in place to research and reconcile the outstanding balances and adjustments to SHARE have been completed. As part of the Department's monthly proof of cash procedures, the Audit and Accounting Bureau now reviews accounts receivable balances and ensures collections have occurred. At the end of the fiscal year, the Audit and Accounting Bureau will perform an overall review of balance sheet items to ensure the balances are accurately stated.

2012-005 [PED 2012-05] Review of Security Logs and Monitoring of Scheduled Jobs (Other Matter and Non Compliance)

Condition: During our review of internal controls over IT, we noted that the Department does review certain security logs and job processing such as the daily schedule. However, reports or logs are only reviewed when security events are identified.

Criteria: Per State of NM Statewide Guideline "Enterprise IT Security Policy", S-GUIDE00.003, "the State of New Mexico shall securely and economically protect its business functions including public access to appropriate information and resources, while maintaining compliance with legal requirements established by existing Federal and State statutes pertaining to confidentiality, privacy, accessibility, availability, and integrity.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2012-005 [PED 2012-05] Review of Security Logs and Monitoring of Scheduled Jobs (Other Matter and Non Compliance) (Continued)

ISACA's Control Objectives for Information and related Technology (COBIT) framework, Security Testing, Surveillance and Monitoring (DS5.5), provides for test and monitoring of IT security implementation in a proactive way. IT security should be reaccredited in a timely manner to ensure that the approved enterprise information security baseline is maintained. A logging and monitoring function will enable the early prevention and/or detection and subsequent timely reporting of unusual and/or abnormal activities that may need to be addressed.

Effect: The lack of continuous and proactive monitoring of the network weakens the overall system security, the lack of monitoring of schedule jobs will result in loss of financial and other data.

Cause: The Department did not have a network specialist during the year to perform these duties.

Recommendation: We recommend that the Department proactively review security logs and available report and alerts from the network monitoring tools in order to identify security risks on a timely basis. In addition, scheduled jobs/processing should be monitored to avoid potential loss of data.

Management's Response: Management partially concurs with the finding. Daily monitoring does take place but was not regularly documented as having occurred. The systems analysis group is now fully staffed and daily monitoring is taking place with back-up staffing in place. In addition, the PED monitors scheduled backups at least twice a day, and receives notifications via email on the status of the various systems. The department has implemented policies and procedures to ensure ongoing, daily monitoring of all network operations.

2013-001 [PED 2013-01] Error in Funding Calculation for State Equalization Grant Funds (Significant Deficiency)

Condition: During our testing of State Equalization Grant (SEG) Disbursements it was noted that for 1 out of 18 disbursements tested, an incorrect T&E (Training & Experience) adjustment amount was used resulting in a school being underpaid by \$117,285.

Criteria: The SEG distribution is required by law, NMSA 22-8-25(G) "The state equalization guarantee distribution shall be distributed prior to June 30 of each fiscal year". Sound cash management and internal controls necessitate that funding calculations be reviewed in detail to prevent potential errors.

Effect: The error resulted in a school being underpaid in the amount of \$117,285.

Cause: The process to allocate State Equalization Grants utilized a manual spreadsheet. The disbursement incorrectly used a Training and Experience adjustment that did not agree to supporting documentation or the manual spreadsheet.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2013-001 [PED 2013-01] Error in Funding Calculation for State Equalization Grant Funds (Significant Deficiency) (Continued)

Recommendation: We recommend that the Department implement procedures to ensure that all calculations are reviewed in detail by multiple levels. Additionally, we recommend that management consider implementing procedures to automate the calculation process.

Management's Response: Management concurs with this finding. The PED has implemented a four step process to ensure the accuracy of the computation. This involves two independent reviews of the data, separate reviews of the computation and a third review if differences are noted. Once all reviewers are in agreement, the Director of the School Budget and Finance Analysis Bureau will conduct a final review and issue final approval. The existing process for the data to be provided to districts and charter schools for their review will continue.

The Operating Budget and Management System (OBMS) is currently being modified to include a new module that will automate the calculation of the State Equalization Guarantee. The Department will continue to work on this process automation to ensure OBMS accuracy in the calculation of the SEG.

2013-002 [PED 2013-02] Fund Balance Restatement (Material Weakness)

Condition: During fiscal year 2014, the Department determined that the fiscal year 2013 accounts receivable was understated by approximately \$23,118,000 in fund 79000 and accounts payable was understated by approximately \$3,118,000 in fund 57300 requiring a prior period adjustment to correct beginning fund balance and net position.

Criteria: Good accounting practices calls for accurate and timely records and NMSA 1978 6-5-2 specifies that agencies shall implement internal accounting controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters.

Effect: Opening fund balance was restated for two funds.

Cause: Prior year audit adjustments were erroneously recorded.

Recommendation: We recommend that the Department perform all general ledger reconciliations on a timely basis. Additionally, as a final step to reviewing the yearend financial statements, we recommend the Department thoroughly review the year-end financial for completeness, presentation, and disclosure prior to the submission to the New Mexico Office of the State Auditor.

Management Response: Management concurs that the condition exists but does not concur that the condition was the result of agency actions. In fiscal year 2013, in accordance with the recommendation above, the Department posted two adjustments in fund 79000 for \$20M and \$3,118,000 respectfully. In addition, the Department posted an adjustment in fund 57300 as a due to other funds for \$3,118,000.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2013-002 [PED 2013-02] Fund Balance Restatement (Material Weakness) (Continued)

After these actions were taken by the PED, the department's previous auditors reversed both entries resulting in inaccurate fund balances for fiscal year 2014 and requiring a prior period adjustment to correct the error.

The Department has a proof of cash reconciliation process in place and will work with the independent auditors in the future to ensure they understand the process to prevent such errors from occurring.

2013-003 [PED 2013-03] Improve Other IT General Controls (Other Matter and Non Compliance)

Condition: During our review of IT security controls, we noted the following:

- We noted 3 accounts (users) in the network whose passwords are set not to expire. These users have access to powerful systems and applications.
- HR department is not timely in providing termination forms to the IT Department.
- PED does not have an offsite storage location for backup data.
- PED has been using an outdated/obsolete version of SQL Server to maintain their database.

Criteria: Per State of NM Statewide Guideline "Enterprise IT Security Policy", S-GUIDE00.003, "the State of New Mexico shall securely and economically protect its business functions including public access to appropriate information and resources, while maintaining compliance with legal requirements established by existing Federal and State statutes pertaining to confidentiality, privacy, accessibility, availability, and integrity.

Effect: The deficiencies identified decrease the overall network security and are considered area that can be exploited by a potential hacker.

Cause: This has been a practice within the Department for the past several years.

Recommendation: We recommend the following:

- Password policies should be applied to all users without exception. This should also be applied to administrator accounts in all applications.
- HR Department should provide termination forms in a timely manner to ensure that access for terminated employees is removed on a timely basis.
- Computer files should be backed up at least weekly, be properly labeled, and stored off premises in a fireproof vault to ensure safe storage of computer information.
- Upgrade to most recent version of SQL Server to maintain database.

Management's Response: Management concurs with this finding and has since changed the account settings for the accounts that were set not to expire. All accounts are set to follow the password change policy.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

**2013-003 [PED 2013-03] Improve Other IT General Controls (Other Matter and Non Compliance)
(Continued)**

Termination forms are prepared by each bureau's manager or director. The Department has provided guidance and training to managers and directors to ensure that termination forms are turned in to all applicable bureaus, including IT. The HR bureau has also been instructed to inform IT whenever an employee processes out.

2014-001 Journal Entry (Significant Deficiency)

Condition: During our testing of journal entries it was noted that for 14 out of 22 journal entries tested, the journal entry lacked proper approval by a responsible employee and also did not document the preparer of the entry. It was also noted that 8 out of 22 journal entries tested did not contain adequate supporting documentation for the journal entry.

Criteria: Appropriate and accurate journal entries are essential in correcting errors, facilitating the month-end closing process, and preparing accurate financial statements. Journal entries should be reviewed by someone other than the preparer and that has the accounting knowledge to determine that the entry is appropriate and correct. The entry should be accompanied by supporting documentation to facilitate the review process. The review should be performed prior to the entry being recorded in the accounting records to reduce the need for additional correcting journal entries.

Effect: Journal entries that are not reviewed or approved by someone with the appropriate level of accounting knowledge may result in entries made in error and could lead to a misstatement of the financial statements. Additionally, a significant amount of time is required to research and correct erroneous journal entry postings.

Cause: The Department has not had adequate resources to develop well-established policies and procedures over the journal entry process.

Recommendation: We recommend that the Department adopt a policy whereby all journal entries will be approved by a designated member of management with the appropriate level of accounting knowledge. All entries should be initialed by the preparer and the individual approving them in order to attribute responsibility to the appropriate individuals. All journal entries should be accompanied by a fully explanation and by reference to adequate supporting documentation.

Management's Response: The Department concurs with this finding. Although the review process was being performed in accordance with generally accepted accounting principles, the audit and accounting department did not document the review. The Bureau has implemented procedures to ensure that all journal entries are signed by the preparer, reviewed, and approved by the bureau chief or CFO. The 14 journal entries noted in this finding related to year end accrual entries for financial statement purposes and were not entered into SHARE.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2014-002 Internal Controls Over Cash Disbursements (Other Matter)

Condition: During our testing of internal controls over the cash disbursement process we noted the following:

- In 1 out of 40 disbursements the reimbursement included a \$4.00 personal item.
- In 3 out of the 40 disbursements tested, the purchase order date was subsequent to the expenditure. The after the fact purchase justification form was signed by the employee but not approved by the supervisor.

Criteria: 6-5-2C NMSA 1978 states that an entity shall implement internal controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, state agencies shall implement controls to prevent the submission of processing documents to the division that contain errors or that are for a purpose not authorized by law.

Effect: Lack of documentation related to disbursements raises the risk for improper use of public monies or increases risk for erroneously processed transactions.

Cause: Department did not ensure that the Department's policies and procedures were being followed.

Recommendation: We recommend that the Department evaluate its current procedures related to disbursements and ensure that disbursements are compliant with all applicable laws, regulations and internal policies.

Management's Response: The Department concurs with this finding. Training has been provided to all bureaus within the Department related to procurement and purchasing procedures. Ongoing quarterly refresher training is provided to managers to ensure management review is conducted in accordance with established procurement procedures. The training included reinforced direction on proper forms required when submitting payment packets to the purchasing bureau.

The personal item reimbursed to the employee was removed from itemized receipt but not from the total, a review oversight. The purchasing department manager has reviewed the issue with staff to ensure more thorough reviews of all reimbursements to employees.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

DIVISION OF VOCATIONAL REHABILITATION FINDINGS

2012-002 [DVR 2012-02] Financial Close and Reporting (Significant Deficiency)

Condition: During our testwork over the financial close and reporting process it was noted that the Division had not completed the October 2013 reconciliation until January 28th, 2014 and it was not reviewed/approved until February 21, 2014. It was also noted that the June 2014 reconciliation was not completed until September 17th, 2014 and was not reviewed/approved until October 3rd, 2014. We also noted that the September 2013 cash reconciliation was missing appropriate review and approval.

Additionally, during our testing of accounts receivable it was noted that "Unbilled AR" had a balance of \$62,310 reported as a receivable as of June 30, 2014. Upon additional testing and inquiry it was noted that this was a system generated entry with no supporting documentation. An adjusting entry was required to remove this receivable balance.

Criteria: The Manual of Accounting Practices requires that all state agencies "perform monthly reconciliations" and "Maintain accounts and information as necessary to show the sources of state revenues and the purpose for which expenditures are made and provide proper accounting control to protect state finances". Additionally, Section 6-5-2, NMSA 1978 states that "State agencies shall comply with the Model Accounting Practices established by the Financial Control Division of the Department of Finance and Administration and the administrative head of each agency shall ensure that the Model Accounting Practices are followed."

Effect: Without timely reconciliations and dispositions of old balances, there is an increased risk of error or fraud in the financial records.

Cause: The Division has not had adequate resources to develop well-established policies and procedures over financial close and reporting. Additionally, the Division has limited staffing resources to complete timely reconciliations and research old account balances.

Recommendation: We recommend that the Division continue to develop policies and procedures to outline the requirements, timeliness and responsibilities over the financial close and reporting process, obtain the necessary staffing to carry this out, this includes reconciling all balances and determining the appropriate disposition of old balances.

Management's Response: Management concurs with this finding. The General Ledger (GL) Unit has been expanded to include two employees. Expectations have been set for general ledger monthly reconciliations to be performed and completed one month after the period closes. Reconciliations consist of reviewing transaction activity and balances in Assets, Liabilities, Equity, Revenue and Expense type accounts. Throughout the monthly period, the GL Unit reviews payroll postings to ensure that chart field is accurate. DFA publishes the closing schedule and DVR uses this schedule to run final SHARE reports. All reports are run from period zero to the month being reconciled. General Ledger Staff are also the key contacts for the independent audits. The audits are made the priority to facilitate and

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

DIVISION OF VOCATIONAL REHABILITATION FINDINGS (Continued)

2012-002 [DVR 2012-02] Financial Close and Reporting (Significant Deficiency) (Continued)

provide audit deliverables to the independent auditors. The September 2013 reconciliation for all funds was performed and completed on Jan. 2, 2014 by the General Ledger staff. However, the management review and approval were erroneously missed. Management will be more diligent in verifying that all monthly reconciliations are reviewed and signed. All monthly reconciliations will be returned to the general ledger for verification of all required signatures prior to filing.

2014-003 Improve IT General Controls (Significant Deficiency)

Condition: During our review of internal controls over IT, we noted the following:

- DVR does not have an offsite storage location for backup data.
- DVR does not have well-defined, written disaster recovery procedures.
- Passwords are not set to expire for master, domain, and administrator accounts.
- Lack of monitoring of SHARE user access.

Criteria: Per the State of New Mexico Statewide Guideline "Enterprise IT Security Policy", S-GUIDE-00.003, "the State of New Mexico shall securely and economically protect its business functions including public access to appropriate information and resources, while maintaining compliance with legal requirements established by existing Federal and State statutes pertaining to confidentiality privacy, accessibility, availability, and integrity".

Effect: The deficiencies identified decrease the overall network security and are considered areas that can be exploited by a potential hacker.

Cause: This has been a practice within the Division for the past several years.

Recommendation: We recommend the following:

- Computer files should be backed up at least weekly, be properly labeled, and stored off premises in a fireproof vault to ensure safe storage of computer information.
- Management should develop a disaster recovery plan that includes, but is not limited to, the following matters:
 - Location of, and access to, off-site storage.
 - A listing of all data files that would have to be obtained from the off-site storage location.
 - Identification of a backup location (name and telephone number) with similar or compatible equipment for emergency processing.
 - Responsibilities of various personnel.
 - Priority of critical applications and reporting requirements during the emergency period.

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DIVISION OF VOCATIONAL REHABILITATION FINDINGS (Continued)

2014-003 Improve IT General Controls (Significant Deficiency) (Continued)

- Password policies should be applied to all users without exception. This should also be applied to administrator accounts in all applications.
- Develop and implement SHARE user access monitoring controls to ensure that only necessary personnel possess appropriate access to SHARE.

Management's Response: Management concurs that it currently does not have an offsite storage location for backup data. DVR is working with the PED to identify vendor pricing for both equipment and off site storage. DVR currently is backing up its data daily and replication is happening between both duplication units. Daily backups are stored on a disk-to-disk storage unit for two weeks, and DVR is also performing weekly full backups which are stored for two months. The disk-to-disk system is a newer technology which eliminates the need for a fireproof vault, since no tapes are being utilized.

Regarding written disaster recovery procedures, DVR has contracted with a vendor for the development of a Disaster Recovery Plan which will be specific to DVR's needs. The plan and procedure will be in place within the next few months. With regard to passwords, DVR concurs with this finding as the service accounts were set by previous managers not to expire. This risk has been mitigated and now follows the same 45-day policy as the standard user accounts. Regarding SHARE user access, DVR is authorized by DFA to appointed IT staff after receiving appropriate training. This allows for the creation of new users, resetting of passwords, and modification of permissions. DVR has identified two staff members who possess the needed training and skill to support the agency.

2014-004 Internal Controls Over Cash Disbursements (Other Matter)

Condition: During our testing of internal controls over the cash disbursement process, it was noted that the Division does not have policies and procedures in place to ensure that goods or services were received/performed prior to payment being made.

Criteria: 6-5-2C NMSA 1978 states that an entity shall implement internal controls designed to prevent accounting errors and violations of state and federal law and rules related to financial matters. In addition, state agencies shall implement controls to prevent the submission of processing documents to the division that contain errors or that are for a purpose not authorized by law.

Effect: Lack of documentation related to disbursements raises the risk for improper use of public monies or increases risk for erroneously processed transactions.

Cause: Division did not ensure that the Division's policies and procedures were being followed.

Recommendation: We recommend that the Division evaluate its current procedures related to disbursements and ensure that disbursements are made subsequent to verification of the goods/services being received/performed.

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DIVISION OF VOCATIONAL REHABILITATION FINDINGS (Continued)

2014-004 Internal Controls Over Cash Disbursements (Other Matter) (Continued)

Management's Response: In State Fiscal Year 2015, DVR has instituted a revised process for invoice certifications and a memorandum was disseminated by the Administrative Services Director to all agency staff. The administrative type payments require a certification stamp on the invoice that is signed and dated by an employee with direct knowledge of the receipt and acceptance of the goods and services. The case management type payments already have a certification section that is signed and dated by a Vocational Rehabilitation Counselor or Program Manager. They are certifying that goods and services were rendered. They are also certifying that payment is to be released.

Section III – Findings and Questioned Costs – Major Federal Award Programs Audit

PUBLIC EDUCATION DEPARTMENT FINDINGS

2013-006 [PED 2013-06] Final Approved Grant Application Not Posted to Website (Other Matters and Non-Compliance)

Federal Program Information:

<i>Funding Agency:</i>	<i>U.S. Department of Education</i>
<i>Title:</i>	<i>School Improvement Cluster</i>
<i>CFDA Number:</i>	<i>84.377/84.388</i>
<i>Award year and number:</i>	<i>2014, H126A1400045</i>

Condition: During our testwork we noted that 3 out of 3 schools tested did not have the final approved Grant application posted to its website.

Criteria: Per Federal Register Volume 75, Number 208, Section B3, a State Educational Agency (SEA) must post on its website, within 30 days of awarding School Improvement Grants to Local Educational Agencies (LEA), all final LEA applications.

Questioned Costs: None.

Effect: The public was not given proper notification of all final LEA applications as well as a summary of those Grants, as required by the U.S. Department of Education.

Cause: The Department did not have a formal process in place to ensure compliance is met on a timely basis and that all final LEA applications are posted to the Department's website.

Recommendation: We recommend the Department develop a procedure for posting the approved applications and summary of grants on a timely basis as required.

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PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2013-006 [PED 2013-06] Final Approved Grant Application Not Posted to Website (Other Matters and Non-Compliance) (Continued)

Management's Response: Management concurs with the finding. The final 2014 applications were not posted to the NM PED/Priority Schools Bureau as per the requirements of the grant. In the future, our procedure includes the following:

- A. Within 15 days of SIG applications being approved, a request will be made to IT to post applications to the Priority Schools Bureau Webpage.
- B. Within 20 days of SIG applications being approved, a web page review will take place to assure applications have been posted.
- C. The Audit manager will review the webpage to ensure applications are posted as per the procedures established above.

*10 days are available for any delays that may occur.

2014-005 Timely Filing of Data Collection Form (Other Matters and Non-Compliance)

Federal Program Information:

<i>Funding Agency:</i>	<i>U.S. Department of Education (CFDA# 84.010, 84.027/84.173, 84.377/84.388)</i>
<i>Title:</i>	<i>U.S. Department of Agriculture (CFDA#10.553/10.555) CFDA# 84.377/84.388 – School Improvement Cluster CFDA# 84.010 Title I – Grants to Local Educational Agencies CFDA# 84.027/84.173 – Special Education Cluster CFDA# 10.553/10.555 – Child Nutrition Cluster</i>
<i>Award year and number:</i>	<i>2014, H126A1400045</i>

Condition: The Department did not file its Data Collection Form to the Federal Audit Clearinghouse by the required due date of March 31, 2015.

Criteria: OMB Circular A-133 §.320(a) requires that the audit be completed and the data collection form and reporting package be submitted by the earlier date of either 30 days after the receipt of the auditor's report(s), or nine months after the end of the audit period, unless a longer period date is agreed to in advance by the cognizant or oversight Department for audit.

Questioned Costs: None.

Effect: The Department is in violation of federal requirements.

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PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2014-005 Timely Filing of Data Collection Form (Other Matters and Non-Compliance) (Continued)

Cause: The Department was unable to submit the June 30, 2014 Data Collection Form and reporting package on a timely basis as the Department was required to change auditors and was unable to have the audit completed by the due date.

Recommendation: We recommend that the Department ensure that all future audit reports are filed in a timely manner.

Management's Response: Management concurs with this finding. As noted under "Cause" above, the PED was unable to submit the June 30, 2014 Data Collection Form and reporting package on a timely basis as the PED was required to change auditors and was unable to have the audit completed by the due date. Management has taken steps to ensure that the Departments audits will be performed on time in the future. The Audit and Accounting Bureau Chief will submit the fiscal year 2014 Data Collection Form upon the release of the audit from the State Auditor's Office.

DIVISION OF VOCATIONAL REHABILITATION FINDINGS

2014-006 Period of Availability (Material Weakness, Material Non-Compliance)

Federal Program Information:

<i>Funding Agency:</i>	<i>U.S. Department of Education</i>
<i>Title:</i>	<i>Rehabilitation Services – Vocational Rehabilitation Grants to States</i>
<i>CFDA Number:</i>	<i>84.126</i>
<i>Award year and number:</i>	<i>2014, H126A1400045</i>

Condition: During our testwork we noted two adjustments totaling \$2,269,002 to request reimbursements from previous grants in which the funding period had expired.

Criteria: 34 CFR 361.64, (a) Except as provided in paragraph (b) of this section, any Federal funds, including re-allotted funds, that are appropriated for a fiscal year to carry out a program under this part that are not obligated by the State by the beginning of the succeeding fiscal year and any program income received during a fiscal year that is not obligated by the State by the beginning of the succeeding fiscal year remain available for obligation by the State during that succeeding fiscal year. (b) Federal funds appropriated for a fiscal year remain available for obligation in the succeeding fiscal year only to the extent that the State met the matching requirement for those Federal funds by obligating, in accordance with 34 CFR 76.707, the non-Federal share in the fiscal year for which the funds were appropriated.

Questioned Costs: None.

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DIVISION OF VOCATIONAL REHABILITATION FINDINGS (Continued)

2014-006 Period of Availability (Material Weakness, Material Non-Compliance) (Continued)

Effect: There is an increased likelihood that the Division could incur unallowable or questioned costs without them being detected. Additionally, this could have a future impact on funding as the Federal government may reduce funding for the Rehabilitation Services program, which may have a significant impact on the operations of the program.

Cause: There was inconsistent oversight and review of requests for reimbursement to ensure that cash draws were performed on appropriate grant awards within the correct funding period.

Recommendation: We recommend that DVR implement current controls with additional oversight or design and implement revised procedures that allow for proper monitoring to ensure that requests for reimbursement are for approved transactions and are within the correct period of availability and funding period.

Management's Response: NMDVR is aware of this issue and has implemented corrective actions, as of July 1, 2014, for State Fiscal Year 2015. As of that date, the period of eligibility criteria was implemented and applied to all federal grant expenditures. All grant expenditures, and the associated match, were recorded in the year of appropriation, which is the twelve-month initial grant period. This reclassification of expenses to the correct grant year resulted in no net change to expense. To accomplish this, NMDVR implemented revised accounting processes to enable the recording of federal grant expenditures and associated state match expenditures, as well as program income and funds transfers from other agencies that also are used as match, in the state SHARE accounting system. NMDVR considers this finding resolved for State Fiscal Year 2015.

2014-007 Eligibility (Significant Deficiency, Non-Compliance)

Federal Program Information:

<i>Funding Agency:</i>	<i>U.S. Department of Education</i>
<i>Title:</i>	<i>Rehabilitation Services – Vocational Rehabilitation Grants to States</i>
<i>CFDA Number:</i>	<i>84.126</i>
<i>Award year and number:</i>	<i>2014, H126A1400045</i>

Condition: During our testing of eligibility controls and compliance it was noted that for 1 out of 40 individuals tested the eligibility determination was not properly signed for approval by the counselor approving eligibility for the individual.

For 2 out of the 40 individuals tested it was noted that the eligibility determination was not included in the individual's case file, therefore we were unable to determine if the eligibility determination had been properly signed for approval by the counselor and if it was approved within the required 60 days.

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DIVISION OF VOCATIONAL REHABILITATION FINDINGS (Continued)

2014-007 Eligibility (Significant Deficiency, Non-Compliance) (Continued)

For 3 out of the 40 individuals tested it was noted that the eligibility determination was not properly approved within the required 60 days.

Criteria: 29 USC 722(a)(6), the designated State unit shall determine whether an individual is eligible for vocational rehabilitation services under this subchapter within a reasonable period of time, not to exceed 60 days, after the individual has submitted an application for the services unless – (A) exceptional and unforeseen circumstances beyond the control of the designated State unit preclude making an eligibility determination within 60 days and the designated State unit and the individual agree to a specific extension of time; or (B) the designated State unit is exploring an individual’s abilities, capabilities, and capacity to perform in work situations under paragraph (2)(B).

Questioned Costs: None.

Effect: There is an increased likelihood that an ineligible individual could receive benefits without them being detected. Eligible individuals may not receive vocational rehabilitation benefits timely and in accordance with program requirements. Additionally, this could have a future impact on funding as the Federal government may reduce the funding for the New Mexico Rehabilitation Services program, which may have a significant effect on the operations of the program.

Cause: There was inconsistent oversight and review of eligibility determinations performed at the field office locations.

Recommendation: We recommend that DVR implement current controls with additional oversight from the Administrative Office or design and deploy revised procedures that allow for proper oversight between positions at the field offices. We also recommend that DVR establish monitoring procedures to ensure that eligibility determinations are completed timely in accordance with program requirements.

Management’s Response: During August 2015, during field review of payment packets, the Field Operation Specialists (FOS) now check to ensure that eligibility determinations are signed appropriately by vocational rehabilitation counselors, filed in the case files, and approved within the required 60-day timeframe before payment packets are approved and submitted to Accounts Payable Unit for processing. If the FOS identifies any of the three deficiencies cited above, the payment packet is held at the Field Office level until the deficiency is remedied. The FOS will also notify Program Managers (PMs) of the deficiency so that the PM can conduct remedial training, start corrective action, or impose disciplinary action depending on the severity and frequency of deficiencies. In addition, beginning in August 2015, Field Operation Directors will instruct PMs to have their staff conduct file reviews by September 2015 to identify and remedy any discrepancies found with eligibility determinations. PMs will provide FODs a report on eligibility discrepancies and actions taken to remedy eligibility deficiencies. DVR HR also is currently working to advertise the vacant DVR Internal Auditor position. Once the

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DIVISION OF VOCATIONAL REHABILITATION FINDINGS (Continued)

2014-007 Eligibility (Significant Deficiency, Non-Compliance) (Continued)

position is again filled, the FOD will work with the incumbent to develop a statewide plan for agency audit review on a routine basis, under which every counselor's case files receives at least one audit per fiscal year.

Section IV – Other Findings, as Required by New Mexico State Statute, Section 12-6-5, NMSA 1978

PUBLIC EDUCATION DEPARTMENT FINDINGS

2013-005 [PED 2013-05] Untimely Reversions (Non-Compliance)

Condition: During our testing of reversions we noted the Department failed to revert timely \$3,131,926 of unexpended appropriations related to fiscal year 2013.

Criteria: Section 6-5-10(A) NMSA 1978 requires all unreserved, undesignated fund balances in reverting funds as of June 30 to be reverted to the New Mexico State General Fund by September 30 and subsequently adjusted within 45 days of the completion of the annual audit.

Effect: The Department is not in compliance with Section 6-5-10(A) NMSA 1978.

Cause: Management was not aware of the 45 day deadline after the completion of the annual audit.

Recommendation: We recommend the Department establish procedures, controls, and monitoring to ensure timely calculation and submission of reversions to the New Mexico State General Fund.

Management Response: Management concurs with this finding. The Audit and Accounting bureau has implemented procedures to ensure that the Department is in compliance with Section 6-5-10(A) NMSA 1978 and will perform reversions timely.

2014-008 Capital Assets (Non Compliance)

Condition: During our testing of capital assets it was noted that an annual inventory was not completed.

Criteria: 2.2.2.10V(2) of the 2014 OSA Audit Rule and The Manual of Model Accounting Practices, FIN 6.6 Annual Physical Inventory of Capital Assets, requires that all state agencies "shall perform a physical inventory of capital assets at the end of each fiscal year in compliance with the annual inventory statutory requirement for chattels and equipment," and "Any capital assets determined to be missing should be documented in writing for reporting to the Office of the State Auditor". Additionally, Section

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PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2014-008 Capital Assets (Non Compliance)

6-5-2 NMSA 1978 states that "State agencies shall comply with the model accounting practices established by the Financial Control Division and the administrative head of each agency shall ensure that the model accounting practices are followed".

Effect: The Division is not in compliance with the 2014 OSA Audit Rule and FIN 6.6.

Cause: Physical inventory was not completed in accordance with State Statutes.

Recommendation: We recommend that the Department perform a physical inventory count of capital assets at least annually in accordance with State Statutes.

Management's Response: Management concurs with this finding. The Audit and Accounting bureau has implemented procedures to ensure that the Department is in compliance with the State Audit Rule and State Statutes. The Department has since performed a physical inventory and is reconciling the physical inventory to the Departments fixed asset listing.

2014-009 Agency Fund Disbursements (Significant Deficiency and Non Compliance)

Condition: During our testing of Trust and Agency funds it was noted that required State Equalization Guarantee payments were not disbursed as required by State statute.

Criteria: NMSA 66-5-44 states that "There shall be paid to the department a driver safety fee of \$3.00 for each driver's license or duplicate driver's license, except that for a driver's license issued for an eight-year period, a fee of \$6.00 shall be paid to the department. The fee shall be distributed to each school district for the purpose of providing defensive driving instruction through the state equalization guarantee distribution made annually pursuant to the general appropriations act".

Effect: The Department is not in compliance with NMSA 66-5-44.

Cause: The Department does not have the proper policies and procedures in place to ensure that Agency funds are disbursed in accordance with State statute.

Recommendation: We recommend that the Department design and implement policies and procedures to ensure that all Agency fund disbursements are made in accordance with State statute.

Management's Response: Management concurs with this finding. The Audit and Accounting bureau has implemented procedures to ensure that the Department is in compliance with NMSA 66-5-44.

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PUBLIC EDUCATION DEPARTMENT FINDINGS (Continued)

2014-010 Due Date of Audit Report (Other Matter)

Conditions: The June 30, 2014 audit report was not filed timely as required by State Auditor Rule NMAC 2.2.2.9.A.

Criteria: Per State Auditor Rule NMAC 2.2.2.9.a, the audited financial statements of local governmental entities are due by December 1 following the fiscal year-end, thus requiring the June 30, 2014 report to be filed by December 1, 2014.

Effect: The Department is in violation of State Auditor Rule NMAC 2.2.2.9.A for the fiscal year ended June 30, 2014. This issue may result in not having accurate financial information for budget preparation or other financial projections. Also, it causes the Department to be placed on the State of New Mexico's "At-Risk Listing" and it may impact funding received from the State.

Cause: There was a change in auditors near the deadline causing the late submission of the audit.

Recommendation: The Department needs to implement a plan to ensure timely submission of the 2015 audit.

Management's Response: Management concurs with this finding. An independence dispute occurred with the firm that was contracted to perform the fiscal year 2014 audit. The dispute resulted in the firm withdrawing from the Departments audit in November 2014. The Department was forced to procure a new audit firm and producing a late audit report.

DIVISION OF VOCATIONAL REHABILITATION FINDINGS

2013-002 [DVR 2013-02] Capital Assets (Non Compliance)

Condition: During our testing over internal controls related to capital assets it was noted that the Division completed a physical inventory which identified assets that did not exist. However the Division did not adjust the capital asset listing or general ledger to remove these assets.

Criteria: The Manual of Model Accounting Practices, FIN 6.6 Annual Physical Inventory of Capital Assets, requires that all state agencies "shall perform a physical inventory of capital assets at the end of each fiscal year in compliance with the annual inventory statutory requirement for chattels and equipment," and "Any capital assets determined to be missing should be documented in writing for reporting to the Office of the State Auditor". Additionally, Section 6-5-2 NMSA 1978 states that "State agencies shall comply with the model accounting practices established by the Financial Control Division and the administrative head of each agency shall ensure that the model accounting practices are followed".

Effect: The Division is not in compliance with the Manual of Model Accounting Practices, FIN 6.6.

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DIVISION OF VOCATIONAL REHABILITATION FINDINGS (Continued)

2013-002 [DVR 2013-02] Capital Assets (Non Compliance) (Continued)

Cause: The Division was not following policies and procedures related to the disposal of capital assets.

Recommendation: We recommend that the Division continue to monitor controls and better communicate and train employees on policies and procedures to ensure the Division is in compliance with the State Statute and DFA requirements.

Management's Response: DVR complied with MAPs by completing annual physical inventories at each area office by the end of each fiscal year, and although some offices listed items that were not physically located, they were noted on the annual inventory report given to the previous CFO and also added to the fixed asset listing provided to previous auditors. Items that no longer could be physically accounted for have been reported to the Office of the State Auditor year, and in the future any assets determined to be missing will be documented in writing and reported to State Auditor. DVR will continue to monitor capital assets and communicate and train employees on policies and procedures to ensure compliance with State statutes and DFA. In addition, a new capital asset policy and procedure has been put into place and has been submitted to the agency director for approval.

Discretely Presented Component Unit Findings

ACADEMY OF TRADES AND TECHNOLOGY

2014-001 Internal Control Over Cash Disbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: In a sample of sixty expenditures there were two instances (\$459.96 and \$422.12) in where the checks were only signed by one authorized signer, when they should have been signed by two authorized signers. In a sample of sixty expenditures, there was one instance of \$435.97 in where not all supporting documentation is available.

Criteria: NMAC 2.42.6.20.2.11 requires that schools establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguards against loss from unauthorized use. "The internal control structure shall include written administrative controls (rules, procedures, practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP." The Academy of Trades and Technology has established an internal control policy that requires all checks to be signed by two authorized check signers.

Effect: The Academy of Trades and Technology violated its own internal policy in regards to check signing. Unsupported cash disbursements put the School at risk for unauthorized purchases.

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ACADEMY OF TRADES AND TECHNOLOGY (Continued)

2014-001 Internal Control Over Cash Disbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Continued)

Cause: A second authorized check signer was not available when the checks were being processed for mailing to the vendors. Supporting documentation for a cash disbursement was misfiled.

Auditors' Recommendation: The School should follow its own internal policy of having two authorized signers sign all checks. All cash disbursements should be properly supported.

Management's Response: Academy of Trades policy requires that all checks have two authorized signers. Management will ensure that all checks processed have the supporting documentation attached, and that two authorized signers have signed all checks.

ACADEMY OF TRADES AND TECHNOLOGY FOUNDATION

2013-001 [CS 2013-01-A] Composition of Board - Repeated (Non Compliance)

Condition: The Foundation does not have the required members on their Board.

Criteria: Per the Foundation bylaws, the Board shall consist of no less than three members.

Effect: The Foundation does not have proper oversight, which could result in errors going undetected.

Cause: Management made several attempts to solicit the required members.

Auditors' Recommendation: We recommend that the Foundation ensure that the Board has the necessary members.

Management's Response: Foundation management did not provide a response.

2012-002 [CS 2012-02-A] Internal Control Structure - Repeated and Modified (Material Weakness)

Condition: During our fieldwork we noted:

- The receivable associated with the lease purchase agreement with the School was not properly recorded by the Foundation. Payments associated with the mortgage payable are not being properly recorded by the Foundation on its general ledger. The Foundation continued to hold capital assets on their books.
- There is no documentation that the bank reconciliations were being reviewed.

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ACADEMY OF TRADES AND TECHNOLOGY FOUNDATION (Continued)

**2012-002 [CS 2012-02-A] Internal Control Structure - Repeated and Modified (Material Weakness)
(Continued)**

- The Foundation does not have adequate segregation of duties over the processing of invoices and cash receipts. The Foundation's President processes all accounting transactions without any review or approval of any other individuals.
- There is a general lack of accounting records at the Foundation.

Criteria: Per sound accounting standards an entity shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP. Additionally, good internal controls require that an organizational structure be in place which separates incompatible activities to preclude control by any individual. Bank reconciliations should be reviewed and approved by someone other than the preparer.

Effect: The internal financial statements were not properly stated. The potential for misappropriation of funds is present when one person is responsible for all phases of an accounting process.

Cause: The foundation does not have any staff limiting the processes/transactions that are performed by the Treasurer.

Auditors' Recommendation: We recommend the Foundation develop and implement internal controls to properly record all transactions that occur during the year. We recommend that the Foundation fill the empty places on the Board so that accounting duties could be separated.

Management's Response: Foundation management did not provide a response.

ACE LEADERSHIP HIGH SCHOOL

2014-001 Composition of Board – Noncompliance in Accordance with the New Mexico State Auditor's Rule (Other Matters)

Condition: During our review of the Audit Committee Member listing we noted the ACE Leadership High School did not meet the requirement for a parent volunteer member

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ACE LEADERSHIP HIGH SCHOOL (Continued)

2014-001 Composition of Board – Noncompliance in Accordance with the New Mexico State Auditor’s Rule (Other Matters) (Continued)

Criteria: Per NMSA 22-8-12.3 (D), each school local school board shall appoint an audit committee that includes one volunteer member who is a parent of a student attending that school district.

Effect: The ACE Leadership High School does not have the proper over-sight as required by NMSA 22-8-12.3. Errors could go undetected.

Cause: Management has been unsuccessful recruiting a parent volunteer for the audit committee.

Auditor’s Recommendation: We recommend that the ACE Leadership High School find the required members to be in compliance with the State requirement.

Management’s Response: Management agrees with this finding and have named a parent to the audit/finance committee for the FY15 school year.

ALBUQUERQUE INSTITUTE FOR MATHEMATICS & SCIENCE

2014-001 New Mexico Educational Retirement Board And Retiree Health Care Act Contributions Testing (Other Matter)

Condition: Through testing procedures performed, we identified the following instances of noncompliance:

- For one employee tested, the employee’s approved contract exceeded \$20,000 for the year; however, educational retirement contributions were withheld at the percentage rate for employees who make less than \$20,000, resulting in an under-withholding for the employee contribution portion.
- A return-to-work employee’s wages were incorrectly excluded from educational retirement remittance calculations for the months of August and September, resulting in under-reported gross wages of \$442 in August, and \$1,014 in September.
- A return-to-work employee’s wages were incorrectly excluded from retiree health care remittance calculations for the months of August, September, October, and November, resulting in under-reported gross wages of \$442 in August, \$1,014 in September, \$455 in October, and \$416 in November.

Criteria: Criteria for the various instances of noncompliance discussed above are as follows:

- Section 22-11-21 NMSA 1978 states that from July 1, 2013 through June 30, 2014, for a member whose annual salary is greater than twenty thousand dollars (\$20,000), the member

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ALBUQUERQUE INSTITUTE FOR MATHEMATICS & SCIENCE (Continued)

2014-001 New Mexico Educational Retirement Board And Retiree Health Care Act Contributions Testing (Other Matter) (Continued)

contribution rate shall be ten and one-tenth percent of the member's annual salary. For a member whose annual salary is twenty thousand dollars (\$20,000) or less, the member contribution rate shall be seven and nine-tenths percent of the member's annual salary.

- Section 22-11-25.1.E NMSA 1978 states that a retired member who returns to employment shall pay to the fund an amount equal to the member contributions that would be required pursuant to Section 22-11-21 NMSA 1978 if the retired member was a non-retired employee and the local administrative unit employing the retired member shall pay to the fund an amount equal to the local administrative unit contributions that would be required pursuant to that section.
- Section 22-11-25.1.G NMSA 1978 states that both the retired member who returns to employment and the local administrative unit that employs the retired member shall make contributions to the retiree health care fund in the amount specified in Subsections A and B of Section 10-7C-15 NMSA 1978.

Effect: Remittances to the educational retirement fund and retiree health care fund were incorrect.

Cause: The employees were incorrectly coded in the accounting system.

Recommendation: We recommend that the Albuquerque Institute of Mathematics & Science review their policies and procedures to ensure that policies and procedures are in place to support the proper coding of employees in the accounting system.

Management Response: Management accepts the recommendation and will review its internal control procedures to ensure that ERB and RHC are reported correctly.

ALBUQUERQUE SCHOOL OF EXCELLENCE

2014-001 Personnel Files and Payroll Approval (Non Compliance)

Condition: During internal control testwork over a sample of 25 payroll transactions we noted the following:

- We noted one instance of an incomplete Form I-9 as only section 1 was complete. Section 2, the employer review and verification was not complete.
- We noted one instance where Form I-9 wasn't properly verified by the employer. For employer review and verification, the School reviewed a foreign passport but did not review and document the temporary I-551 stamp or temporary I-551 printed notation.

**STATE OF NEW MEXICO
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Year Ended June 30, 2014**

ALBUQUERQUE SCHOOL OF EXCELLENCE (Continued)

2014-001 Personnel Files and Payroll Approval (Non Compliance) (Continued)

- The Albuquerque School of Excellence (ASE) Principal signs-off on the payroll register to document his review and approval. For two pay periods tested, the Principal's sign-off was not included with the payroll register.

Criteria: NMAC 6.20.2.18 requires the ASE to establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. The ASE should maintain and have available for inspection certain employee records, including employment eligibility verification forms. NMAC 6.20.2.11 states every school shall establish and maintain an internal control structure that will provide reasonable assurance that transactions are executed in accordance with management's authorization.

Effect: The ASE is not in compliance with NMAC 6.20.2.11 with respect to assuring that transactions are executed in accordance with management's authorization and with NMAC 6.20.2.18 with respect to Form I-9.

Cause: Internal controls were not in place to ensure a properly completed Form I-9 was on file for all employees and to ensure Principal approval for payroll was obtained.

Auditors' Recommendation: Personnel files should be periodically reviewed to ensure all required personnel file documents have been obtained and are complete and accurate. The ASE should ensure the Principal's approval is obtained for all payroll registers.

Management's Response: Management will work with the School to ensure there is a clear understanding of the allowable documents necessary to complete the Form I-9. Management will also implement a review process for HR files at least once a year independent of the required audit. The Albuquerque School of Excellence has adopted policies that ensure a system of checks and balances are in place for all financial procedures including the processing of payroll. In extenuating circumstances the payroll will be processed on verbal authority when evidence of review and approval is not possible. In these situations management will ensure that the payroll is subsequently noted for review and approval.

STATE OF NEW MEXICO
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Year Ended June 30, 2014

ALBUQUERQUE SCHOOL OF EXCELLENCE (Continued)

2014-002 Travel and Per-Diem (Non Compliance)

Condition: During fiscal year 2014, the ASE used the IRS standard rate for mileage reimbursements. We reviewed two mileage reimbursements for an employee's private vehicle and both reimbursements were paid at the IRS standard rate.

Criteria: NMAC 2.42.2.11(b)(1) states that public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Effect: The ASE is not in compliance with the Per Diem and Mileage Act and is overpaying employees for travel on behalf of the School.

Cause: The ASE did not have internal controls in place to ensure mileage reimbursements were paid in accordance with the New Mexico Per Diem and Mileage Act.

Auditors' Recommendation: The ASE should follow the Per Diem and Mileage Act for local governments when paying for mileage reimbursements.

Management's Response: The Albuquerque School of Excellence has experienced numerous inconsistencies surrounding the interpretation of NMAC 2.42.2.11(b)(1). The school will amend their Travel and Per-Diem policies once again to reflect a maximum rate of 80% of the current federal mileage reimbursement rate for the given calendar year.

ALBUQUERQUE SIGN LANGUAGE ACADEMY

2014-001 Travel and Per-Diem (Non Compliance)

Condition: During fiscal year 2014, the Albuquerque Sign Language Academy (ASLA) used the Internal Revenue Service (IRS) standard rate for mileage reimbursements. We reviewed two mileage reimbursements for travel in a privately owned vehicle and both reimbursements were paid at the IRS standard rate.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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ALBUQUERQUE SIGN LANGUAGE ACADEMY (Continued)

2014-001 Travel and Per-Diem (Non Compliance) (Continued)

Criteria: NMAC 2.42.2.11(b)(1) states that public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile at 80% of the IRS standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Effect: The ASLA is not in compliance with the Per Diem and Mileage Act and is overpaying employees for travel on behalf of the School.

Cause: The ASLA did not have internal controls in place to ensure mileage reimbursements were paid in accordance with the New Mexico Per Diem and Mileage Act.

Auditors' Recommendation: The ASLA should follow the Per Diem and Mileage Act for local governments when paying for mileage reimbursements.

Management's Response: The School has changed its mileage reimbursement policy. The School will reimburse mileage at the effective rate of 80% of the IRS standard mileage rate as set on January 1 of the previous year for each mile traveled. This was approved by the Governing Council at its June 15, 2015 meeting.

2014-002 Staff Qualifications (Non Compliance)

Condition: During internal control testwork over a sample of 25 payroll transactions we noted one educational assistant that did not have a license from the Public Education Department (PED). We attempted to locate this individual's license on the PED website and were unsuccessful.

Criteria: NMAC 6.63.9 states that all persons who perform services as educational assistants (EAs) must hold valid, educational assistants licensure issued by the PED and also provides additional provisions that must be met, including education requirements.

Effect: The School is not in compliance with the educational assistant requirements set forth by NMAC 6.63.9.

Cause: The School did not have internal controls in place to ensure all required documentation was obtained prior to hiring this EA and a process is not in place that would provide periodic reviews of employee personnel files to ensure they are complete.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014**

ALBUQUERQUE SIGN LANGUAGE ACADEMY (Continued)

2014-002 Staff Qualifications (Non Compliance) (Continued)

Auditors' Recommendation: Develop and implement internal control procedures to ensure all required documents are obtained prior to hiring.

Management's Response: The School's business office will conduct a thorough file review on all employees to ensure accuracy and completeness before the 40th day of every school year.

ALDO LEOPOLD HIGH SCHOOL

2011-007 [CS 2011-07-E] State Cash Report- Noncompliance in accordance with the New Mexico State Audit Rule (Other Matter)

Condition: When reviewing the PED Cash Report, we noted the ending cash balance did not agree to the general ledger. We noted differences of \$2,347 for the Operational Fund and \$1,005 for the State Direct Funds.

Criteria: Per NMAC Title 6, Chapter 20, Part 2.14J states the school district shall maintain a cash control ledger for each fund/subfund where all transactions affecting cash are recorded. Cash balances reported to the department shall be the same as the district's cash control ledger and annual audit. Per state audit rule the audit report of each school district shall include a cash reconciliation schedule which reconciles the cash balances as of the end of the previous year to the cash balance as of the end of the current fiscal year. According to State Regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger.

Effect: The PED does not have an accurate accounting of the School's activity.

Cause: A prior year reconciling item is affecting the balances on the PED cash report.

Auditors' Recommendation: The School should seek guidance from PED on how to correct this matter on future PED cash reports.

Management's Response: We are investigating the sources of these discrepancies and will make every effort to bring the General Ledger into agreement with the PED Cash Report during FY15.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014**

ALMA D'ARTE CHARTER HIGH SCHOOL

2014-001 Timely Deposits - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During our cash receipts testing we noted that deposits were not being made within twenty-four (24) hours after being received. In nine of 10 tested we noted \$13,654 was not deposited timely.

Criteria: Per NMAC 6.20.2.14.C states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Effect: The Alma D'Arte Charter High School (ADCHS) is not in compliance with State statute and has exposed itself to possible misappropriation of funds.

Cause: There is a lack of good controls over cash and check receipts.

Recommendation: We recommend that the ADCHS set policies and procedures in place to ensure that all cash receipts are deposited within 24 hours.

Management Response: Management will ensure deposits are made within 24 hours.

2014-002 Budgetary Conditions – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: The ADCHS has expenditure functions where actual expenditures exceeded budgetary authority for the following fund:

Food Services 21000	
Food service operation	\$4,093

Criteria: Per NMAC 6.20.2.9(A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The ADCHS is out of compliance with New Mexico state statute and the control established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of operating funds to cover the over-expenditures.

Cause: Actual expenditures were not being adequately monitored by management.

Recommendation: We recommend the ADCHS establish a policy of budgetary review by the governing council or finance committee at the end of each quarter and have the governing council approve the necessary budgetary adjustments to ensure funds are not over expended.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014**

ALMA D'ARTE CHARTER HIGH SCHOOL

2014-002 Budgetary Conditions – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Management Response: The Finance Committee will review all expenditures quarterly and make the appropriate budget adjustments as needed.

AMY BIEHL CHARTER HIGH SCHOOL

2014-001 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: For the year ended June 30, 2014, it was noted that the Amy Biehl Charter High School (ABCHS) reimbursed employees for mileage at a rate of fifty six cents per mile.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The ABCHS is not in compliance with New Mexico State Statutes in regards to mileage reimbursement. 08

Cause: The ABCHS contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the ABCHS contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Recommendation: The ABCHS should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management Response: Amy Biehl High School disputes this finding. In March, 2010 the Finance Director at Amy Biehl High School received a determination from the Office of the State Auditor after posing the question: “There is one question that I have regarding the mileage reimbursement rate: When a charter school is authorized by the Public Education Commission, is the school considered a state agency or a local public body?” Their answer is: “Regardless of who chartered the school, charter schools fall under the definition of local public bodies.”

**STATE OF NEW MEXICO
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AMY BIEHL CHARTER HIGH SCHOOL (Continued)

2014-001 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

The New Mexico Administrative Code, 2.42.2.11 (D) states: Local Public Bodies: Public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10.8.5(D) NMSA 1978. That statute states, in regards to local public bodies: The governing body of any local public body may eliminate or may reduce the rates set for the per diem and mileage for all or any class of public officials and employees of the local public body at any time the local public body deems it to be in the public interest, and such reduction shall not be construed to permit payment of any other compensation, perquisite or allowance. The local public body shall exercise this power of reduction in a reasonable manner and shall attempt to achieve a standard rate for all public officers and employees of the same classification. Based on the statute and regulation noted above, the statutory rate for local public bodies is 100% of the IRS rate unless the governing body of the local public body reduces or eliminates that rate. The Governing Board of Amy Biehl High School has not reduced or eliminated that rate. Therefore, Amy Biehl High School is allowed to reimburse 100% of the IRS mileage rate.

2014-002 Authorized Rate of Pay – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: One of ten employees selected for payroll testing did not have any written authorization such as a contract or personnel/payroll action form indicating what the employee's rate of pay is.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), federal and state withholding certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The ABCHS is not in compliance with New Mexico State Statutes in regards to employee record documentation.

Cause: The employee in this matter was a volunteer at the ABCHS prior to becoming a part-time employee. Upon becoming a part-time employee, not all of the required documentation was placed in the employee's personnel file.

Recommendation: The ABCHS should review all personnel files to ensure that required documentation required by NMAC 6.20.2.18 is available.

**STATE OF NEW MEXICO
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Year Ended June 30, 2014**

AMY BIEHL CHARTER HIGH SCHOOL (Continued)

2014-002 Authorized Rate of Pay – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Management Response: Amy Biehl High School agrees with this finding. At the time the volunteer transitioned to a paid employee, the paperwork acknowledging the rate of pay for this employee was either overlooked or misfiled. The school will continue to perfect its practices around assembling personnel files and managements review of said files.

2014-003 Personnel Files – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: Two personnel files of Foundation staff were examined as a part of payroll testing. One of the employees selected for payroll testing did not have any written authorization such as a contract or personnel/payroll action form indicating what the employee’s rate of pay is. The other employee’s personnel file was missing the Federal Form I-9.

Criteria: Good internal controls require that entities maintain and have available for inspection the following employee record documentation: employment contract, personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), federal and state withholding certificates, pay deduction authorizations, pay or position change notices, and direct deposit authorizations.

Effect: The Foundation is not in compliance with good internal controls in regards to employee record documentation.

Cause: There was a transition of staff in fiscal year 2014 and personnel files were not monitored as closely as they could have been.

Recommendation: The Foundation should review all personnel files to ensure that all appropriate payroll documentation is on file.

Management Response: The Amy Biehl High School Foundation agrees with this finding. The Foundation has updated the current employee personnel file to include a Federal Form I-9. The employee with the missing contract is no longer employed by Foundation.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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AMY BIEHL CHARTER HIGH SCHOOL (Continued)

2014-004 Lack of Segregation of Duties – (Material Weakness)

Condition: The Assistant Director of Advancement at the Foundation receives payments, records the payments on the general ledger, makes the bank deposits, and prepares the monthly bank reconciliation.

Criteria: Good internal controls require that an organizational structure be in place which separates incompatible activities to preclude control by any individual.

Effect: The potential for misappropriation of funds is present when one person is responsible for all phases of an accounting process.

Cause: The Foundation operates with a limited staff size.

Recommendation: The Foundation should implement a system in where accounting activities are separated to the extent possible with its small staff size.

Management Response: The Amy Biehl High School Foundation agrees with this finding. Due to our small staff, the Foundation will work with school staff to separate accounting activities to the extent possible. The Executive Director will receive payments and review and initial deposits, the Assistant Director of Advancement will record payments in the general ledger and prepare monthly bank statements, and school Finance Office staff will make bank deposits for the Foundation.

ANTHONY CHARTER SCHOOL

2014-001 Timely Deposits (Non Compliance)

Condition: During our cash receipts testing we noted that deposits were not being made within twenty-four (24) hours after being received.

Criteria: Per NMAC 6.20.2.14.C states that “money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Effect: The School is not in compliance with State statute and has exposed itself to possible misappropriation of funds.

Cause: There is a lack of good controls over cash and check receipts.

Recommendation: We recommend that the School set policies and procedures in place to ensure that all cash receipts are deposited within 24 hours.

STATE OF NEW MEXICO
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ANTHONY CHARTER SCHOOL (Continued)

2014-001 Timely Deposits (Non Compliance) (Continued)

Management Response: The school's administrative assistant and the faculty member responsible for collecting the majority of student activity funds are now aware of this requirement and the administrative assistant is responsible to ensure that she deposits all receipts within 24hrs with the school's bank.

2014-002 Mileage Reimbursements – (Non Compliance)

Condition: For the year ended June 30, 2014, it was noted that the School reimbursed employees for mileage at a rate of fifty six cents per mile.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: "unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle."

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management Response: The school's principal/Superintendent will ensure that he does not submit or approve any incorrect reimbursement requests for payment to the school's business manager.

2014-003 Audit Committee – (Non Compliance)

CONDITION: The School does not have the required members on their audit committee. Currently the committee consists of three Board of Governance members.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014**

ANTHONY CHARTER SCHOOL (Continued)

2014-003 Audit Committee – (Non Compliance) (Continued)

Criteria: Per NMSA 22-8-12.3 Each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending the school district and one volunteer member who has experience in accounting or financial matters.

Effect: The School is not in compliance with New Mexico State Statutes in regards to the appointment of audit committee members.

Cause: The School has been unable to solicit the required members to date.

Recommendation: We recommend that the school review state compliance requirements and ensure that the audit committee consists of the members necessary.

Management Response: The school continues to struggle to meet this requirement but is actively pursuing the appropriate representation in order to comply with this requirement.

2014-004 Supporting Documentation – (Significant Deficiency)

Condition: During our test-work the following items were noted:

- In a sample of sixty expenditures, there were eight disbursements (\$200.28, \$200.28, \$256.75, \$1,006.98, \$1,193.60, \$606.64, \$4,788.94, \$1,081.96), where the school could not provide any supporting documentation.
- In a sample of seven travel and per diem expenditures tested three of the items (\$175.86, \$116.24, and \$926.48) were not properly supported.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: It could not be determined if the expenditures were properly recorded on the general ledger.

Cause: The School misplaced the supporting documentation.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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ANTHONY CHARTER SCHOOL (Continued)

2014-004 Supporting Documentation – (Significant Deficiency) (Continued)

Recommendation: The School should put in place internal controls so that documentation for all financial activity is available for examination both by school personnel and external parties such as the auditors.

Management Response: The school has adopted new internal control procedures to ensure that all disbursements are properly supported and approved and that it maintains complete files for all transactions.

THE ASK ACADEMY

2013-001 [CS 2013-01-CC] Timely Deposits (Other Matter)

Condition: Deposits of cash receipts did not have indication of date received.

Criteria: NMAC 6.20.2.14 (C) states that “money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Effect: Cash could go missing causing students to not retain the benefit of the funds received.

Cause: The ASK Academy (ASK) did not maintain a log to properly document date of receipt.

Recommendation: We recommend that ASK maintain a manual log to formally document the date of all receipts.

Management Response: ASK has processes and procedures in place to properly log all cash receipts and to ensure that all cash received is deposited within 24 hours. These processes and procedures will be reviewed with the appropriate personnel.

CESAR CHAVEZ COMMUNITY SCHOOL

2014-001 Educational Retirement Board (ERB) and Retiree Health Care (RHC) Contributions-Noncompliance in Accordance with the New Mexico State Audit Rule- (Other Matter)

Condition: During our test work, we noted the following:

- ERB calculations and payments for the year did not include all additional compensation paid to employees.
- RHC calculations and payments for the year did not include all additional compensation paid to employees.

**STATE OF NEW MEXICO
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CESAR CHAVEZ COMMUNITY SCHOOL (Continued)

2014-001 Educational Retirement Board (ERB) and Retiree Health Care (RHC) Contributions-Noncompliance in Accordance with the New Mexico State Audit Rule- (Other Matter) (Continued)

Criteria: Per the ERB rules, the electronic reports, consisting of salaries and contributions and demographic information, should include the total gross payroll. Monthly contributions to the Retiree Health Care (RHC) should report 100% of payroll, per NMSA 1978 10-7C-15.

Effect: The total amount of applicable salaries is not being reported to ERB and RHC.

Cause: The amount remitted to ERB and RHC does not include 100% of payroll; therefore incorrect amounts are being reported to ERB and RHC which could result in penalties. The School is not including applicable stipends when calculating ERB and RHC amounts.

Auditors' Recommendation: We recommend the School implement procedures to ensure all gross salaries and wages are properly included in the ERB and RHC calculations and there is a thorough review process in place to ensure payments are properly calculated and reconciled.

Management's Response: The School is seeking further legal guidance in the interpretation of statute NMSA 1978 10-7C.

2014-002 Payroll Documents-Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During our test work over a sample of 25 payroll transactions, we found that two employees only provided one acceptable document for employment eligibility verification on the federal form I-9, when two were required.

Criteria: Per State Regulation 6.20.2.18, the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with NMAC 6.20.2.18 with respect to Form I-9.

Cause: Internal controls were not in place to ensure Form I-9 was properly completed for all employees.

Auditors' Recommendation: We recommend that School review requirements for required payroll forms and review payroll files for completeness annually.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

CESAR CHAVEZ COMMUNITY SCHOOL (Continued)

2014-002 Payroll Documents-Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Continued)

Management's Response: The School will review the I-9s in question and use the procedures found in the I-9 Handbook for Employers to correct any issues.

2013-001 [CS 2013-01-H] Disposition of Capital Assets- Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During the annual inventory of capital assets, a laptop computer was identified as missing and was reported as a capital asset disposal at year-end. A letter dated June 11, 2014 was sent to the New Mexico Office of the State Auditor from the School to inform them of the intent to dispose of the laptop computer.

Criteria: The Manual of Model Accounting Practices, FIN 6.6 Annual Physical Inventory of Capital Assets, requires that "Any capital assets determined to be missing should be documented in writing for reporting to the Office of the State Auditor".

Effect: The School is not in compliance with the Manual of Model Accounting Practices.

Cause: The School did not follow applicable requirements for the missing laptop as it was not reported as missing.

Auditors; Recommendation: We recommend that internal controls be established to ensure that capital asset disposals, including items that are missing, follow all required regulations.

Management's Response: The School has reviewed the process for reporting missing inventory items and procedures have been put in place to ensure that any future missing items will be reported to the Office of the State Auditor.

CIEN AGUAS INTERNATIONAL SCHOOL

2014-001 Travel and Per Diem - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During test work over three travel reimbursements we noted that in each instance the employee was reimbursed for meals expense based on the U.S. General Services Administration per diem rate for the locale where the employees traveled. Meal reimbursements were made in the amounts of \$66 per day for travel to Colorado Springs and \$71 per day for travel to Los Angeles.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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CIEN AGUAS INTERNATIONAL SCHOOL (Continued)

2014-001 Travel and Per Diem - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Continued)

Criteria: NMAC 2.42.2.9, *Reimbursement of Actual Expenses in Lieu of Per Diem Rates*, at section B.(2) states "actual expenses for meals are limited to a maximum of \$30.00 for in-state travel and \$45.00 for out-of-state travel for a 24-hour period.

Effect: The school is not in compliance with per diem regulations set forth by NMAC 2.42.2.9.

Cause: Policies and procedures are not in place to ensure compliance with the rules noted above.

Auditors' Recommendation: Develop and implement policies and procedures that will ensure compliance with the travel and per diem requirements as set-forth by NMAC 2.42.2.9.

Management's Response: The current business manager has implemented two travel forms, one of which requests the approval to travel and the second requesting reimbursement for travel expenses. The internal policies and procedures will be updated with the new travel process and shared with the staff, at the beginning of the school year, to ensure compliance with the State statute.

2014-002 Personnel Files and Benefits Documentation – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During internal control test work over a sample of 25 payroll transactions we noted the following:

- We noted two instances where an employee's benefit election form was not available for our review.
- We noted two instances where employees received additional compensation for afterschool program services, however, there was no evidence of approval for this additional work and the amount of compensation paid in the employees personnel file.
- Leave is not currently being tracked for the school's director.

Criteria: The School's payroll processing and payment procedures included in the School's financial policies and procedures manual states that each employee file will include an insurance deduction authorization form. The form also has an area for the employee to indicate that they are declining to receive a particular benefit(s). NMAC 6.20.2.18 also requires various employee records and documentation to be maintained and available for inspection, including personnel/payroll action forms that properly document employee compensation. The School's payroll processing and payment procedures also have policies and procedures for tracking individual employee leave.

Effect: The School is not in complete compliance with its payroll processing and payment policies and procedures and NMAC 6.20.2.18.

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CIEN AGUAS INTERNATIONAL SCHOOL (Continued)

2014-002 Personnel Files and Benefits Documentation – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Continued)

Cause: The School's policies and procedures are not being enforced.

Auditors' Recommendation: Personnel files should be periodically reviewed to ensure all required personnel file documents have been obtained and are complete and accurate, including benefit election forms and compensation documentation. Lastly, leave for all employees should be tracked in accordance with the School's own policies and procedures.

Management's Response: All employee files will be checked on a semi-annual basis to ensure that all forms are in the employee file. A rate sheet for stipends and/or additional compensation will be created and referenced when paying employees for additional work they completed. Leave will be tracked for all employees including the school director.

2014-003 Staff Qualifications - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During internal control test work over a sample of 25 payroll transactions we noted one educational assistant that did not have a license from the Public Education Department (PED). Additionally, the employee file did not contain proof of the individual's education. We attempted to locate this individual's license on the PED website and were unsuccessful.

Criteria: NMAC 6.63.9 states that all persons who perform services as educational assistants (EAs) must hold valid, educational assistants licensure issued by the PED and also provides additional provisions that must be met, including education requirements.

Effect: The School is not in compliance with the educational assistant requirements set forth by NMAC 6.63.9.

Cause: The School did not ensure all required documentation was obtained prior to hiring this educational assistant and a process is not in place that would provide for periodic reviews of employee personnel files to ensure they are complete.

Auditors' Recommendation: Develop and implement internal control procedures to ensure all required documents are obtained prior to hiring personnel and that provide for periodic reviews of employee files to ensure all required documents have been obtained and are complete and accurate.

Management's Response: All required documents such as licensure, education, etc. will be obtained prior to hiring any employee. A checklist will be included in each personnel file to verify that all documents have been received. All employee files will be reviewed on a quarterly basis to ensure that all forms have been received, completed and that they are accurate.

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CIEN AGUAS INTERNATIONAL SCHOOL (Continued)

2014-004 Segregation of Duties – Noncompliance in Accordance with the New Mexico State Audit Rule (Significant Deficiency)

Condition: During our review of the School’s internal control procedures over significant transaction cycles we noted the following internal control deficiencies:

- The School Director reviews the payroll register prior to processing by the business manager but does not perform a review after it is processed to ensure no changes were made or changes were limited to those the Director has approved.
- The School’s Business Manager adds vendors to the accounting system, can create purchase orders, make purchases, prints checks for payment, is an authorized check signer, prepares the outgoing mail, records cash receipts, prepares the deposit and takes the deposit to the bank.
- The School’s two administrative assistants are responsible for collecting school lunch payments and “after school” program fees and also are responsible for maintaining and reconciling amounts due from each child.

Criteria: Per NMAC 6.20.2.11 every school district shall establish and maintain an internal control structure that will provide reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect: Inadequate segregation of duties increases the risk that errors or fraud could occur and not be discovered timely.

Cause: Management has not conducted a basic risk assessment to identify duties that should be segregated to reduce the risk of errors and fraud.

Auditors’ Recommendation: Management should review the current assignment of accounting functions and where feasible, duties should be segregated to reduce the risk of errors or fraud. Other review procedures should be implemented to strengthen the School’s internal control. For instance, the Director should review the payroll register after the payroll has been processed. The business manager should not be an authorized check signer and checks prepared by the business manager should not be returned to her for mailing, but should be mailed by some other appropriate individual. The cash receipt process should be changed to ensure no one individual handles all or a majority of the cash receipts transaction process. Individuals responsible for collecting cash receipts should not be responsible for reconciling accounts. Vendor and employee system master files should be reviewed periodically for any unusual items.

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CIEN AGUAS INTERNATIONAL SCHOOL (Continued)

2014-004 Segregation of Duties – Noncompliance in Accordance with the New Mexico State Audit Rule (Significant Deficiency) (Continued)

Management's Response: A review process will be implemented to strengthen the internal control process and to reduce the risk of fraud and errors by further segregating duties. All payroll registers and supporting documents will be reviewed before and after processing payroll to ensure no unauthorized changes were made. Checks will be mailed by the school director or their designee (not the business manager). A random sample of the vendor and employee system master files will be reviewed every quarter by the school director or their appropriate designee to test for inaccuracies.

2013-001 [CS 2013-01-I] Contracting – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During test work over the School's food service contract we noted that required language was not included in the contract.

Criteria: Per CFR 7.210 and 7.250 there are multiple provisions relating to the proper storage of donated food, services to be provided and other criteria required by the U.S. Department of Agriculture.

Effect: Due to missing required language the School is not in compliance with federal laws and regulations related to their school lunch program.

Cause: The School was unaware that they were required to use a contract which satisfies federal regulations in their procurement of food services.

Auditors' Recommendation: The School should review the applicable federal regulations related to food service and ensure that future contracts contain the necessary language to remain compliant with federal regulations.

Management's Response: This item has been corrected for the current fiscal year (2014-2015). A new food services vendor who utilizes the State Public Education Department standard contract template and which contains all required language has been selected to provide services.

2013-002 [CS 2013-02-I] Audit Committee – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: The School does not have the required members on their audit committee.

Criteria: Per NMSA 22-8-12.3 each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending the school district and one volunteer member who has experience in accounting or financial matters.

Effect: The school is not in compliance with the above noted statute.

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CIEN AGUAS INTERNATIONAL SCHOOL (Continued)

2013-002 [CS 2013-02-I] Audit Committee – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Continued)

Cause: The School has and continues to make attempts to solicit the required audit committee members but has not been successful in its recruiting efforts.

Auditors' Recommendation: Continue to solicit members to serve on the audit committee and ensure adequate efforts are being made to effectively recruit.

Management's Response: The Governing Council understands the concern and continues to actively search for a parent and community member to join the audit committee.

CORAL COMMUNITY CHARTER SCHOOL

2014-001 Timely Deposits -Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition- During our cash receipts test work we noted Coral Community Charter School did not keep and maintain a cash receipt log that documents the date of cash receipts. We were unable to obtain sufficient audit evidence to confirm that deposits were being completed within the 24-hour required timeframe.

Criteria- NMAC 6.20.2 states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect- Coral Community Charter School was not in compliance with State Statute. Additionally the School has exposed itself to possible misappropriation of assets.

Cause- Coral Community Charter School does not receive a significant amount of cash receipts in the mail and during the year they were not issuing any kind of receipts at the front desk.

Auditor's Recommendation- We recommend that Coral Community Charter School utilize a cash receipt log to document the date and amount of receipt and create a procedure to ensure that all funds are properly deposited within 24 hours.

Management's Response- For school year FY14/15, we have already changed procedure on how we record and deposit money. We now have a receipt book that we fill out the transaction and deposits are made within the 24 hour time frame.

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CORAL COMMUNITY CHARTER SCHOOL (Continued)

2014-002 Internal Control Structure -Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition- Coral Community Charter School shared its location in the previous year with another charter school. When that other charter school moved to another location it appears that there were several utility bills outstanding in the amount of \$2,038. These outstanding bills were sent to the other charter school and subsequently paid by this school. Subsequently, Coral paid this school for these outstanding invoices. However, they were paid per request from the other school and not per the actual invoices from the utility company.

Criteria- Per sound accounting standards an entity shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect- Coral Community Charter School could be overpaying for goods and services since the School did not pay off the actual invoice.

Cause- During the transaction of this other school, there was a miscommunication between this school and Coral which resulted in the services not being changed over from this school to Coral.

Auditor's Recommendation- Coral Community Charter School should follow their internal controls and procedures which require all vendor invoices to be matched to the receiving copy of the purchase order. Additionally, accounts payable personnel should check each invoice carefully to verify amounts due, shipping and handling costs, and any other applicable discounts, etc. After these verifications are in place, payment can be processed.

Management's Response- This was a unique situation as the utilities did not properly get shut off correctly with the school that was in the building before Coral Community Charter and their name was on our bill and the bill was being set to their new address. The Business Manager contacted a utilities representative to make sure the amount that Coral Community Charter owed for utilities was correct before sending out a check. But the utilities company would not give Coral Community Charter an invoice since their name was not on the bill. This will not happen again as this was a unique situation that happened when moving to a new building.

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COTTONWOOD CLASSICAL PREPARATORY SCHOOL

2014-001 Compliance with Bond Covenants – (Compliance/other matter)

Condition: Audit report was not timely filed to the trustee or to the Office of the State Auditor

Criteria: Pursuant to the bond covenants, the Foundation is required to file its annual audited financial statements to the trustee on an annual basis

Effect: The foundation is not compliant with its bond covenants

Cause: The FY 2014 audit was not submitted on time due to issues outside of the Foundations control

Recommendation: We recommend that the Board continue to monitor its other existing compliance requirements and maintain those that are under its control

Management Response: The audit was on schedule until issues between the State and prior auditors arose. The bond holders were notified and kept up to date on the issue. The foundation will work to ensure the audit is timely and meets all covenants.

2014-002 Compliance with Payroll Recordkeeping – (Compliance/other matter)

Condition: Out of 25 items tested for controls over payroll, the following exceptions were noted: Two instances of the employee contract not being properly executed and/or in agreement with payroll records; and one instance of I-9 not on file.

Criteria: Pursuant to 6.20.2.18 NMAC, I-9's, among other documents, are required to be included in personnel files.

Effect: Non-compliance with the aforementioned statute with the potential of hiring a non-eligible employee.

Cause: Improper oversight over the maintenance of personnel records

Recommendation: We recommend a periodic re-inspection of personnel files to ensure continuous compliance with the statutory requirements

Management Response: The school has implemented a periodic review of its files to ensure compliance with all regulatory requirements.

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COTTONWOOD CLASSICAL PREPARATORY SCHOOL (Continued)

2014-003 Violation of the New Mexico Anti-Donation Clause (Non-Compliance, Other Matters)

Condition: The School has entered into a Pledge and Covenant Agreement with a third party lender to secure debt of a legally separate entity (the Cottonwood Classical Foundation, a 501(c)(3) organization). Under the terms of the debt agreement, the lender required the School to pledge, transfer, and grant a security interest in and assign to the lender all funds, monies, grants or other distributions received by the School from the State of New Mexico.

Furthermore, the Pledge and Covenant Agreement identified that the School establish and maintain a depository account with the lender into which all education funding received by the School from the Public Education Department (including Equalization Guarantee Funding, Lease Reimbursement Program payments, and other special funds and federal pass-through funding constituting Adjusted Pledged Revenues) shall be deposited into. The lender is authorized to withdraw from this account upon default by the Cottonwood Classical Foundation.

Criteria: Pursuant to Article IX, Section 14 of the New Mexico State Constitution (Anti-Donation Clause), neither the state nor any county, school district or municipality shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation.

Effect: As the School has pledged revenues to secure debt payments on an obligation not owed by the School and is in violation of state statute. As a result of this violation, the debt could be considered invalid.

Cause: The School was unaware that the securitization of debt was a violation of state statute. Furthermore, the School did not seek approval by the Public Education Department to ensure compliance with New Mexico State Law.

Recommendation: We recommend that the School seek immediate assistance from the Public Education Department for guidance on communication between the Foundation and Lender to re-negotiate the terms of the debt agreement to exclude any future pledging by the School. It is further recommended that the revised and final debt agreement be reviewed and accepted by the Public Education Department General Counsel to ensure compliance with New Mexico State Law.

Management Response: We disagree with this finding. Two separate law firms within the State of New Mexico served as legal counsel for the transaction; one for the Cottonwood Classical Preparatory School (School) and one for the Cottonwood Classical Preparatory School Foundation (Foundation). Legal counsel was hired to ensure compliance with all applicable State of New Mexico laws and regulations.

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COTTONWOOD CLASSICAL PREPARATORY SCHOOL (Continued)

**2014-003 Violation of the New Mexico Anti-Donation Clause (Non-Compliance, Other Matters)
(Continued)**

Discussions with the school legal counsel note the following. The school did not pledge with the third party lender (bondholders) to secure the debt of the Foundation. The Pledge and Collateral Agreement's sole purpose is to assure that the School will pay its lease payments. The trustee bank is only allowed to withdraw funds for payment of the School's obligation under the lease and, only from sources eligible to be used for lease payments. There is no agreement for the School to pay any obligation of the Foundation.

In addition, the School did submit a lease purchase agreement to the NM Public Education Department (PED) for approval in compliance with department rules and regulations. The PED was provided with much of the information from this transaction. The School received a letter dated August 8, 2014 from Secretary Hanna Skandera approving the lease purchases agreement. Copied on the Secretary's letter were the PED Deputy Secretary, Finance & Operations; and, PED General Counsel. No discussion or questions were ever given to the School on the transaction during this process.

The School is willing to work with the NM PED, and the Foundation to address any compliance issues.

CREATIVE EDUCATION PREPARATORY INSTITUTE

2009-024 [CS 2009-24-K] PED Cash Report- Repeated and Modified (Material Weakness and Compliance)

Condition: During our test work, it was noted that beginning balances do not agree to the prior year audited financial statements. Revenues do not tie to the general ledger. Expenditures do not tie to the general ledger. Ending cash balances do not tie to the general ledger.

The June 30, 2014 bank reconciliation shows outstanding items of \$148,714.36. The PED cash report at June 30, 2014 shows outstanding items of \$60,339.89. The variance is \$88,374.47.

Criteria: According to State regulation 6.20.2.11 (B) (6), NMAC and Regulation SBE-6, the reports sent to the New Mexico Public Education Department (PED) must agree to the general ledger. Per the New Mexico State Audit Rule, the audit report of each school district shall include a cash reconciliation schedule which reconciled the cash balance as of the end of the previous fiscal year to the cash balance at the end of the current fiscal year.

Effect: The Creative Education Preparatory Institute (CEPI) reporting to PED is not correct and PED does not have accurate reflection of the schools cash basis.

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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2009-024 [CS 2009-24-K] PED Cash Report- Repeated and Modified (Material Weakness and Compliance) (Continued)

Cause: The CEPI is not reconciling to the general ledger to what is being reported on the audited financial statements.

Auditor's Recommendation: The CEPI must reconcile the general ledger to the audited financial statements. We recommend the school work with the PED to correct their cash report.

Management's Response: The CEPI will work closely with PED to correct the variance and to make sure that reports are accurate. The CEPI's Finance Committee will review the reports prior to being submitted. The CEPI will contract out for additional business support in order to correct and maintain accuracy in reporting.

2011-001 [CS 2011-01-K] Internal Control Structure- Repeated and Modified (Material Weakness and Compliance)

Condition: During our fieldwork we noted the following:

- The CEPI posted numerous journal entries to fund balance during the fiscal year. The CEPI was not able to provide supporting documentation for these fund balance journal entries. The CEPI was also unable to provide support for other journal entries made during the fiscal year. There is also no indication that journal entries are being reviewed and approved by someone other than the preparer of the journal entries.
- The CEPI was unable to provide documentation on how accrued liabilities were calculated at June 30, 2014.
- In a sample of sixty cash disbursements, there were thirteen instances in where the school was not able to locate all the supporting documentation. The amounts of these cash disbursements were: \$31,685.00, \$24,951.00, \$3,770.00, \$2,600.00, \$1,888.04, \$1,013.10, \$856.00, \$856.00, \$856.00, \$750.00, \$642.00, \$520.00, and \$520.00.
- Total Retire Health Care expenditures did not agree to the general ledger. We noted a difference of \$883.
- The employer's share of FICA and Medicare contributions on the Forms 941 did not agree to the general ledger. We noted a difference of \$1,378.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that

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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2011-001 [CS 2011-01-K] Internal Control Structure- Repeated and Modified (Material Weakness and Compliance) (Continued)

affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.” Per NMAC 6.20.2.14 (F).1 Cash Control Standards, “posting errors are not to be erased, crossed out, or in any other manner eliminated from the ledger. A separate entry is required to incorporate necessary corrections. Cross-referencing of a correcting entry to the original error should be inserted under the "description" column of the ledger.”

Effect: Financial statements could be misstated.

Cause: The school does not have an effective set of procedures in place to review documentation being generated for financial related matters.

Auditor’s Recommendation: All journal entries should be supported by the documentation needed to make those entries. Journal entries should be reviewed and approved by someone other than the preparer. We recommend the CEPI develop and implement internal controls over recording expenditures to the proper general ledger account. Expenditures submitted for reimbursement should be recorded to the corresponding fund and function related to the expense. The Forms 941 and Retiree Health Care reports should be reconciled to the general ledger prior to them being filed.

Management’s Response: The school will work with additional business support to ensure that the school is preparing journal entries accurately and that support is attached. Journal entries will be reviewed by the Finance Committee prior to being posted. The school will review, revise & implement policies related to the internal controls including controls related to recording expenditures to the proper general ledger account. The school will also develop and implement policy over the review of monthly, quarterly & annual reports prior to them being submitted.

2011-002 [CS 2011-02-K] Budgetary Conditions – Repeated and Modified (Non Compliance)

Condition: The School has an expenditure function where actual expenditures exceeded budgetary authority:

Operational	
Support Services	\$82,780

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22- 8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2011-002 [CS 2011-02-K] Budgetary Conditions – Repeated and Modified (Non Compliance)

Cause: A budget adjustment request was never submitted to account for the additional expenditures incurred for the Operational fund.

Auditor's Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

Management's Response: The School along with the Finance Committee will establish a policy of budgetary review at the end of each Quarter and check that the necessary budgetary adjustments have been made.

2011-003 [CS 2011-03-K] Bank Accounts- Repeated and Modified (Material Weakness)

Condition: During our test work over cash we noted the following:

- The CEPI's bank reconciliation for June 30, 2014 showed an "Actual GL" amount of \$4,283.20 as the reconciled amount. The amount on the general ledger provided to the auditors showed a total amount of \$5,521.00, resulting in a variance of \$1,237.80.
- The CEPI could not provide a listing of outstanding checks and deposits (\$148,714.36) at June 30, 2014.
- Bank reconciliations for the entire fiscal year were examined. It was noted that the "Expected GL" and "Actual GL" did not match in any month. The smallest variance was \$22,519.28, the largest variance was \$81,185.04, and the average variance was \$36,065.56.
- There was no evidence of the bank reconciliations being reviewed.

Criteria: All bank accounts shall be reconciled on a monthly basis. Reconciled bank statements are to be reviewed by someone other than the preparer for accuracy.

Effect: It cannot be determined if cash balances are correct at June 30, 2014.

Cause: There is a lack of understanding over how the bank reconciliation report is generated and how to clear items that have cleared. This has led to erroneously identified outstanding items.

Auditor's Recommendation: We recommend that CEPI personnel obtain additional training in how to reconcile the cash accounts using the APTAfund accounting software.

Management's Response: The School has signed up for additional training from APTAfund. At least one member of the Finance Committee will attend this training along with the Business Manager.

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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2012-003 [CS 2012-03-K] ERB Contributions- Repeated and Modified (Non Compliance)

Condition: During our fieldwork we noted the following:

- Total ERB expenditures reported did not agree to the general ledger. We noted a difference of \$4,579.
- The ERB report was submitted late for month ending August 31, 2013.

Criteria: Per the ERB rules, the electronic reports, consisting of salaries and contributions and demographic information, must be sent by the 15th of the month following the month covered by the Report. The form must be faxed the same day that the contributions are electronically submitted, no later than the 15th of the month following the month covered by the Report. The amounts reported on the ERB forms should reconcile with the general ledger.

Effect: Per the Educational Retirement Act, penalties will be assessed to the administrative unit when contributions and/or reports are not remitted by the due date. It is unclear if the correct amounts were contributed to the Educational Retirement Board.

Cause: The Business manager missed deadlines for submission. Adjustments were made to general ledger accounts causing the ERB to have a difference.

Auditor's Recommendation: We recommend School implement a monthly review by the finance committee of all payments to ensure that ERB payments are processed and paid in a timely manner and all copies of the reports are retained. The School establish procedures to reconcile the amounts on the ERB reports and the general ledger.

Management's Response: The school will develop and implement policy over the review of monthly, quarterly & annual reports prior to them being submitted. Reports will be reviewed by the Finance Committee prior to being submitted.

2013-001 [CS 2013-01-K] Procurement Code and Related Contract with Vendor - Repeated (Non-Compliance in Accordance with the New Mexico State Audit Rule)

Condition: During our procurement test work, we noted the CEPI did not go out to bid for vendors who provide software licensing.

Criteria: Per NMAC 6.20.2.17 PURCHASING: A. Each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2013-001 [CS 2013-01-K] Procurement Code and Related Contract with Vendor - Repeated (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Continued)

Effect: The CEPI could be overpaying for goods and services.

Cause: The school contends that these vendors provide sole source goods as the software is tailored to meet specific teaching goals.

Auditor's Recommendation: We recommend that the School designate a procurement agent who would be accountable for maintaining records and ensuring State procurement policies are being implemented and followed.

Management's Response: The GradPoint software that CEPI uses is only available from Pearson, the developer of GradPoint. All other software licenses compliant with the Procurement Code. The school has designated a procurement agent.

2013-002 [CS 2013-02-K] IDEA-B - Cash Management- Repeated (Non-Compliance in Accordance with the New Mexico State Audit Rule)

Condition: The Following bullet point below is from prior year. During current year, there was not sufficient documentation available to determine if the finding has been corrected.

- We noted that the school did not properly reconcile the IDEA-B expenditures. We noted the school had reported excess expenditures of \$4,239 than total amount funded for IDEA B. An adjustment was required to balance funds. School did not properly expense \$1,998 of Title I School Improvement funds. Expenditures were posted to the operating fund. An adjustment was required to balance funds.

Criteria: According to *Part 3 of the A-133 Compliance Supplement*, "When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government." Per *OMB Circular A-110, .21 Subpart C- Post-Award Requirements*, "Recipients' financial management systems shall provide for the following:

- Accurate, current and complete disclosure of the financial results of each federally sponsored project or program in accordance with the reporting requirements set forth in Section_.52Records that identify adequately the source and application of funds for federally sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
- Effective control over and accountability for all funds, property and other assets.
- Comparison of outlays with budget amounts for each award.

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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2013-002 [CS 2013-02-K] IDEA-B - Cash Management- Repeated (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Continued)

- Procedures for determining the reasonableness and allowability of costs in accordance with the provisions of the applicable Federal Cost Principles and the terms and conditions of the award.
- Accounting records including cost accounting records that are supported by source documentation.”

Effect: The CEPI ability to effectively manage its operations in order to meet the compliance requirement of the grant was impaired. The risk that errors or fraud could go undetected was significantly increased.

Cause: The school did not reconcile grant funds at year-end to amounts budgeted.

Auditor's Recommendation: We recommend the school implement policies to ensure that all reimbursement requests have the correct expenses in the correct funds and that all reimbursed funds are properly reconciled.

Management's Response: The school will work with additional business support to ensure that the school is preparing reimbursements accurately and that support is attached. Request for Reimbursements will be reviewed by the Finance Committee prior to being entered into OBMS. The school will review, revise & implement policies related to the RFRs including controls related to recording expenditures to the proper general ledger account. The school will also develop and implement policy over the review of RFRs prior to them being submitted.

2014-001 Lack of Segregation of Duties – (Material Weakness)

Condition: The CEPI Business Manager, records payments on the general ledger and prepares the monthly bank reconciliation. For checks under \$1,000 the Business Manager can sign checks without another check signer.

Criteria: NMAC 6.20.2.12 requires that an organizational structure be in place which separates incompatible activities to preclude control by any individual.

Effect: The potential for misappropriation of funds is present when one person is responsible for all phases of an accounting process.

Cause: The CEPI operates with a limited staff size.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2014-001 Lack of Segregation of Duties – (Material Weakness)

Recommendation: The School should implement a system in where accounting activities are separated to the extent possible with its small staff size. The Business Manager should not be an authorized signer on checking accounts.

Management Response: The School will develop and implement financial policies and procedures that will ensure segregation of duties. The School has already added two board members as signers on the School's checking account.

2014-002 Retiree Health Care Contributions – (Non Compliance)

Condition: During our fieldwork we noted that for the months of July 2013, August 2013, October 2013, November 2013, December 2013, March 2014, and June in 2014, the monthly contributions were made after the tenth day of the subsequent month.

Criteria: Monthly contributions to the Retiree Health Care (RHC) are required to be remitted no later than the 10th of the following month per NMSA 1978 10-7C-15.

Effect: The CEPI is not in compliance with New Mexico State Statutes in regards to Retiree Health Contributions being submitted timely.

Cause: The reports were not properly reviewed to ensure they were submitted on time.

Recommendation: We recommend that school management implement an internal control system to insure that Retiree Health Contributions are processed and paid in a timely manner

Management Response: The School will develop and implement policy over the review of monthly, quarterly & annual reports prior to them being submitted. Reports will be reviewed by the Finance Committee prior to being submitted.

2014-003 Purchase Orders – (Significant Deficiency)

Condition: During our testing of sixty cash disbursements we noted the following:

- There were six instances (\$12,846.95, \$7,566.40, \$4,667.29, \$2,226.66, \$173.34 and \$60.00) in which the Purchase Order was prepared subsequent to the vendor's invoice date.
- A Purchase order in the amount of \$36,000.00 did not have the Principal's signature on it.

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CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2014-003 Purchase Orders – (Significant Deficiency) (Continued)

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: CEPI personnel did not follow established procurement policies of the School.

Recommendation: All School personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management Response: The School will set up training for all personnel so that everyone understands the School and State guidelines regarding purchasing.

2014-004 Timely Deposits – (Non Compliance)

Condition: One of five miscellaneous cash receipts tested in the amount of \$196.00 was not deposited timely.

Criteria: NMAC 6.20.2 states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Effect: The CEPI was not in compliance with State Statute. Additionally the School has exposed itself to possible misappropriation of assets.

Cause: School personnel did not follow established procedures to deposit the money in a timely manner.

Recommendation: We recommend that the school create a procedure to ensure that all funds are properly receipted and deposited within one banking day.

Management Response: The School will review its Policies and Procedures to ensure that all funds are properly receipted and deposited within one banking day.

**STATE OF NEW MEXICO
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Year Ended June 30, 2014**

CREATIVE EDUCATION PREPARATORY INSTITUTE (Continued)

2014-005 Mileage Reimbursements – (Non Compliance)

Condition: For the year ended June 30, 2014, it was noted that the School reimbursed employees for mileage at a rate of fifty one cents per mile. This rate is above the approved rate.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The CEPI is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The CEPI personnel were not familiar with the approved rate for mileage reimbursement.

Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management Response: The School was unaware that it could only pay 80% of the IRS mileage rate set January 1 of the previous year. The school will update its policies to reflect this corrected amount.

EAST MOUNTAIN HIGH SCHOOL

2014-001 Grant Compliance – (Significant Deficiency)

Condition: During our audit we noted that subsequent to year end the School had to reimburse the State of New Mexico Public Education Department (PED) \$18,455.80 for monies the School had received as part of the Early College High School Initiative.

Criteria: Good internal controls include spending money in accordance with the stipulations of grant agreements.

Effect: The School was not in total compliance with the requirements of the Early College High School Initiative grant. Also, the operational fund had to absorb the \$18,455.80 of disallowed expenditures.

Cause: School personnel sought guidance from PED on how the money could be spent for this grant; however, there was some miscommunication on this matter. It was later determined that the expenditures were not allowable.

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EAST MOUNTAIN HIGH SCHOOL (Continued)

2014-001 Grant Compliance – (Significant Deficiency) (Continued)

Auditor's Recommendation: School personnel should expend grant monies in accordance with the stipulations of grant agreements.

Management's Response: We will be diligent in seeking information about how grants can be spent including consulting more than one PED department, if necessary, for guidance.

2014-002 Purchase Orders Subsequent to Invoice – (Significant Deficiency)

Condition: During our testing of sixty cash disbursements, there were three instances (\$3,000.00, \$1,257.00, and \$1,052.50) in where the Purchase Order was prepared subsequent to the vendor's invoice date.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established procurement policies of the School.

Auditor's Recommendation: All School personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management's Response: We will have an in-service training for all staff on the proper steps to follow for purchasing.

2014-003 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: For the year ended June 30, 2014, it was noted that East Mountain High School reimbursed employees for mileage at a rate of fifty six cents per mile.

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EAST MOUNTAIN HIGH SCHOOL (Continued)

2014-003 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Auditor’s Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management’s Response: We disagree with this finding. In a 2010 memo from a CPA in the Office of the State Auditor it was stated all Charter Schools fall under the definition of Local Public Bodies regardless of which agency they are chartered under. That is the guidance we have followed. Therefore, we have reimbursed the full Federal rate since NMAC 2.42.2.11 states:

(C) Local Public Bodies: Public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10.8.5 (D) NMSA 1978.

ESTANCIA VALLEY CLASSICAL ACADEMY

2014-001 Timely Deposits -Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During our test work over 11 cash receipts, we noted two instances where cash receipts were not deposited in the bank within 24 hours. The dollar amount of the two cash receipts totaled \$903.

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Year Ended June 30, 2014**

ESTANCIA VALLEY CLASSICAL ACADEMY (Continued)

2014-001 Timely Deposits -Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Criteria: NMAC 6.20.2.14.C states "Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The School is not in compliance with the cash deposit compliance requirements as stated at NMAC 6.20.2.14.C. In addition, the School has exposed itself to possible misappropriation of assets.

Cause: The School did not follow internal policies and procedures for cash collection.

Auditors' Recommendation: Ensure deposits are made in accordance with NMAC 6.20.2.14.C.

Management's Response: The 2 instances of non-compliance with NMAC 6.20.2.14.C consist of yearbook monies collected and deposited on an untimely basis. Estancia Valley Classical Academy's policy states "Money received and receipted shall be deposited in the bank within 24 hours or one banking day." Management will reiterate the policy, and the fact that it applies to all money received, with current staff. Additionally, procedures currently require a staff member to deposit funds on a daily basis.

2014-002 Financial Statement Preparation (Material Weakness)

Condition: During our test work over the School's accounting records, we noted the following:

- In the prior year, the School incorrectly expensed a \$100,000 security deposit paid to the Foundation for the building lease. A prior period adjustment of \$100,000 was required to increase assets and fund balance in the Federal Charter Planning Grant fund.
- School personnel did not provide an accurate trial balance for the audit and for preparation of the fiscal year 2014 financial statements. Due to this, substantial audit time was required to reconcile and correct material differences related to accrued liabilities and payroll expenses at June 30, 2014. At the end of our fieldwork and after a finding was presented to the School for these issues, the School contacted the prior business manager at which time an accurate trial balance was provided.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP."

Effect: The risk exists that the School understates its assets and liabilities and/or does not properly account for them which increases the likelihood that errors could occur.

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ESTANCIA VALLEY CLASSICAL ACADEMY (Continued)

2014-002 Financial Statement Preparation (Material Weakness) (Continued)

Cause: The School did not record the security deposit in accordance with GAAP. School personnel provided inaccurate information for the preparation of the financial statements.

Auditors' Recommendation: The School should have accounted for the lease deposit in accordance with the signed lease agreement, which also served as support for the grant drawdown. School personnel should review the trial balance prior to providing it to auditors and other users to ensure it properly reflects the School's accounting records at year-end.

Management's Response: Bullet Point 1 - The School recorded transactions in the manner that they were advised to record transactions by our attorney and the previous auditor. Now the current auditor is wanting to change this transaction to indicate that the school has given a refundable security deposit to the foundation that was not liquidated by subsequent expenses in accordance with the lease, and to record it on the financials as an asset. This issue may have to be brought to the State Auditor as the school cannot have financials that misclassify assets and therefore preclude proper balance sheet reconciliation.

Bullet Point 2 - The current Business Manager who began at the end of February and was not working during the 2013 – 2014 fiscal year was tasked to upload all of the files for the 2013 – 2014 audit onto the share drive for the auditor. In uploading the files she mistakenly uploaded the initial trial balance file to the share drive instead of an updated version that was created subsequently and should have been used as the final trial balance for that fiscal year. The final trial balance did contain the correct salaries and liabilities. Therefore, no journal entry was necessary to correct the books. In the future, updated files will be properly labeled and obsolete files moved out of the audit document folder so that they will not be mistakenly uploaded causing extra work and confusion during the audit.

2014-003 Foundation Account Reconciliations (Material Weakness)

Condition: During our test work over the Foundation's accounting records, we noted the following:

- In the prior year, the Foundation entered into a financing agreement to install the School's modular buildings. The debt was not recorded in the prior year and, as a result, the Foundation recorded a prior period adjustment to record the debt and reduce net position by \$179,193.
- In the prior year, costs that should have been capitalized related to the installation of the School's modular buildings and other leasehold improvements were incorrectly expensed in their entirety. To correct and properly state prior year balances, the Foundation recorded a prior period adjustment to increase capital assets and net position by \$226,408.
- In the prior year, the Foundation incorrectly recorded a \$100,000 security deposit received from the School for the lease of the building. A prior period adjustment was recorded to increase liabilities and decrease net position.

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ESTANCIA VALLEY CLASSICAL ACADEMY (Continued)

2014-003 Foundation Account Reconciliations (Material Weakness) (Continued)

- In the prior year, the Foundation incorrectly expensed amounts paid for security deposits on the land and building leases. As a result a prior period adjustment was made to increase assets and net position by \$38,118.
- During fiscal year 2014, the Foundation did not accrue for property taxes and an adjustment totaling \$2,823 was required to properly state property taxes for the year ending June 30, 2014.

Criteria: Maintenance of complete and accurate accounting records and preparation of annual financial statements and footnotes in accordance with generally accepted accounting principles (GAAP) ensures that timely, accurate and useful information is available to management, those charged with governance and other interested parties. Internal controls must be in place to safeguard assets and ensure accurate financial accounting and reporting. Fundamental to a good system of internal controls is thorough review processes, accurate record keeping of accounting transactions and preparation of accurate account reconciliations.

Effect: The risk exists that the Foundation understates its assets and liabilities and/or does not properly account for them which increases the likelihood that errors could occur and not be detected in a timely manner.

Cause: The Foundation did not adequately reconcile and analyze capital assets, debt, and liabilities for the fiscal year 2013 financial statements. The Foundation inadvertently missed the accrual for property taxes at June 30, 2014.

Auditors' Recommendation: Ensure balance sheet reconciliations are performed and prepared timely so that errors can be prevented/ detected in a timely manner.

Foundation's Response: The Foundation is in agreement to the conditions communicated above. In regards to the prior period adjustments that were made, there was a weakness in the timely manner of reconciling out the balance sheet accounts of the Foundation at the time. This was mainly due to the fact that the fiscal period ending June 30, 2013 was the first year of existence. With it being the first year, the Foundation was quickly formed in response to the state laws that prevented Estancia Valley Classical Academy (EVCA) from owning any real property and not being able to sign any commitments that spanned over a year. Once the Foundation was formed and the application for tax exempt status was being prepared, it was a scramble to get board members. All the while this was going on, the process of acquiring the school buildings and getting the land ready for installation was occurring. The Foundation did not have a checking account and all was being reimbursed through EVCA. I believe that all was done properly and all was openly communicated, it was just that these transactions took place before a checking account was established (this is mainly why the adjustments had to be made) and no formal books had been formed. During that same time frame, the new Foundation board members began serving on the Foundation were not "up to speed" on past or current events. The new board

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ESTANCIA VALLEY CLASSICAL ACADEMY (Continued)

2014-003 Foundation Account Reconciliations (Material Weakness) (Continued)

members had yet to possess any written lease or finance agreements, let alone how they were structured and how they read. At the time, we as the Foundation Board had only one goal in mind and that was to open the school in a timely fashion.

It wasn't until the Foundation was preparing for the 2014 audit that these omissions were discovered. I came on as Treasurer in January/February 2014, not suspecting that anything was amiss until I started reconciling the balance sheet accounts for the year end reporting and tax return preparation. Because the 2013 audit and tax return had already been prepared by the former Treasurer and because of the materiality of the adjustments that had to be made due to the reconciliation of the balance sheet accounts, I believed that they needed to be made in the prior period.

The omission of the accrual of the property tax bill was due to the fact that even though the invoice was dated in the 2014 fiscal year, the bill was not received until July of the 2015 fiscal year. I thought since the Foundation reports on a cash basis, I didn't think to accrue the payable, even though for financial statement purposes the Foundation is reported on the modified accrual basis.

Since these discoveries and adjustments, it is a normal practice to timely reconcile balance sheet accounts, mainly on a monthly basis. The monthly balance sheet and income statement are presented to Board for review and approval at the monthly board meetings. There is now assurance that all transactions are reported in a timely and complete manner.

GILBERT L. SENA CHARTER HIGH SCHOOL

2014-001 Supporting Documentation – Noncompliance in Accordance with the New Mexico State Audit Rule (Material Weakness)

Condition: During our test-work the following items were noted:

- There were 116 journal entries posted for the year ended June 30, 2014. For 115 of the journal entries, the Gilbert L. Sena Charter High School (GLSCHS) cannot provide any support for the journal entries. The GLSCHS was able to provide partial documentation for one journal entry posted for the year ended June 30, 2014.
- In a sample of sixty cash disbursements selected for testing, there were six items where either the vendor invoice or the Purchase Order were not available. The total of these cash disbursements was \$9,335.02.
- In a sample of ten cash disbursements selected for testing of Travel and Per Diem, the GLSCHS could not locate the supporting documentation for three of the items selected for testing. The total of these cash disbursements was \$2,180.73.

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GILBERT L. SENA CHARTER HIGH SCHOOL (Continued)

2014-001 Supporting Documentation – Noncompliance in Accordance with the New Mexico State Audit Rule (Material Weakness) (Continued)

- The GLSCHS capitalized \$63,083 of expenditures for the year ended June 30, 2014. The GLSCHS cannot locate the vendor invoices for the items capitalized.
- The GLSCHS could not locate two of the four Forms 941 prepared for the year ended June 30, 2014.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: Items could be misclassified on the general ledger.

Cause: The GLSCHS has had three Business Managers in the period between June 30, 2014 and the time that the audit was conducted. During the transitions between Business Managers, documentation was not properly maintained.

Recommendation: The GLSCHS should put in place internal controls so that documentation for all financial activity is available for examination both by school personnel and external parties such as the auditors.

Management Response: The Gilbert L. Sena Charter High School currently has an established policy for procurement and the maintenance for the records from procurement. Gilbert L. Sena Charter High School experienced a number of fluctuations in Business Management in the time frame spanning the end of FY2014 and the commencement of this year's second round of audit field work. Management is confident that given the recent stability in the business office that crucial backup documents have been maintained and accounted for properly.

2014-002 Pledged Collateral – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During test work, we noted the GLSCHS was under collateralized by \$72,410 at June 30, 2014.

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GILBERT L. SENA CHARTER HIGH SCHOOL (Continued)

2014-002 Pledged Collateral – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Criteria: Per NMSA 6-10-17, Any bank or savings and loan association designated as a depository of public money shall deliver securities to a custodial bank and shall then 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 deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received.

Effect: The GLSCHS is not in compliance with New Mexico State Statutes in regards to pledged collateral.

Cause: The GLSCHS was not monitoring the account balances of the GLSCHS to ensure that the proper amount of pledged collateral was being maintained.

Recommendation: We recommend the GLSCHS monitor their cash balances to ensure they are meeting the State of New Mexico requirements pertaining to pledged collateral.

Management Response: Management has liquidated accounts down to a sole banking account. A pledged collateral agreement has been put in place with the current banking institution as required by statute.

HEALTH LEADERSHIP HIGH SCHOOL

2014-001 Submission of Claim Reports – (Other Matters)

Condition: The school failed to submit several claim reports to the Student Nutrition Bureau for several months during the first half of the year.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles (GAAP).

Effect: The school's private grant – Partner's for Developing Futures fund covered approximately \$3,000 of food services expenses that normally are covered via reimbursement from the Student Nutrition Bureau.

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HEALTH LEADERSHIP HIGH SCHOOL (Continued)

2014-001 Submission of Claim Reports – (Other Matters) (Continued)

Cause: School management was under the belief that the food services vendor was submitting the claims to the Student Nutrition Bureau and that they were being compensated directly. It was not until the school received an invoice for services covering the first half of the year that they learned this was not the case. The school was not able to submit reimbursement requests to the Student Nutrition Bureau for these months as the deadline for submitting them had passed.

Auditors' Recommendation: Internal controls should be implemented that will ensure claim reports to the Student Nutrition Bureau are filed accurately and timely, and are reviewed by an individual who did not prepare the report each month.

Management's Response: Management agrees with this finding and will implement procedures and continue to work with the New Mexico Public Education Department Student Nutrition to correct this issue.

2014-002 – Audit Committee – (Other Matters)

Condition: The school does not have a parent member or a volunteer community member on their audit committee.

Criteria: Per NMSA 22-8-12.3, each local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending the school and one volunteer member who has experience in accounting or financial matters.

Effect: The school is not in compliance with the above noted statute.

Cause: The school has and continues to make attempts to solicit the required audit committee members but has not been successful in its recruiting efforts.

Auditors' Recommendation: Continue to solicit members to serve on the audit committee and ensure adequate efforts are being made to effectively recruit.

Management's Response: Management agrees with this finding and is committed to soliciting parent participation. The school does have a parent volunteer serving on the audit committee for the 2014-2015 school year.

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Year Ended June 30, 2014**

HORIZON ACADEMY WEST

**2014-001 Payroll Transactions - (Noncompliance in Accordance with the New Mexico State Audit Rule)
(Other Matter)**

Condition: During our testwork over a sample of 25 payroll transactions, we noted five employees whose background check was not on file.

Criteria: Per State Regulation 6.20.2.18 the local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, and employment eligibility verification.

Effect: The School could be exposed to unnecessary liability.

Cause: The School did not retain the documentation.

Auditors' Recommendation: Ensure that the School review requirements regarding payroll forms and review payroll files for completeness annually.

Management's Response: The Business Manager will conduct a file review to ensure that all current employees have a background check on file. Current employees with missing background checks will be notified and sent for a background check. All new employees will be sent for a background check upon hire. A checklist will be utilized in HR files to make sure that the files are complete and contain the required documentation.

**2014-002 Timely Deposits – (Noncompliance in accordance with the New Mexico State Audit Rule)
(Other Matter)**

Condition: During testwork over cash receipts, we noted one deposit totaling \$980 made up of several checks and cash collected on August 20, 2013. These funds were not deposited until September 10, 2013.

Criteria: NMAC 6.20.2.14.C states "Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The School is not in compliance with the cash deposit compliance requirements as stated at NMAC 6.20.2.14.C.

Cause: The School received these monies and could not deposit the money that same day so the monies were locked in a safe. However, School personnel overlooked the monies and they were not deposited until September 10, 2013.

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HORIZON ACADEMY WEST (Continued)

**2014-002 Timely Deposits – (Noncompliance in accordance with the New Mexico State Audit Rule)
(Other Matter) (Continued)**

Auditors' Recommendation: Ensure deposits are made in accordance with NMAC 6.20.2.14.C.

Management's Response: The Business Manager will work with staff to make sure that all funds received by the school are deposited timely.

2014-003 Internal Control Structure - (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During our testwork over a sample of 25 disbursements, charges on account and four travel expenditures we noted the following:

- Purchase orders were not created and approved for four travel expenditures reviewed and for 2 of 25 disbursements reviewed.
- We found four instances where goods and/or services were received and invoiced prior to the creation and approval of a purchase order.
- For one travel expenditure reviewed, the travel reimbursement request was not signed by the employee requesting the reimbursement.

Criteria: Per NMAC 6.20.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and polices that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: Reimbursements could be made without proper approval and expenditures could be reported inaccurately or misclassified in the improper fund. This could result in funds being overspent and balances misstated.

Cause: The School did not follow internal purchasing policies and procedures.

Auditors' Recommendation: Ensure the School follows internal controls over purchasing to ensure that all purchases are approved in accordance with School policies and procedures.

Management's Response: The Business Manager will provide training to staff regarding purchasing procedures to ensure that the appropriate approvals are obtained prior to purchases and reimbursements.

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HORIZON ACADEMY WEST (Continued)

2014-004 Budget Adjustment Requests - (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: Two of three budget adjustment requests (BARs) reviewed were not included in the Governing Council meeting minutes as having been discussed and approved prior to obtaining PED approval.

Criteria: As stated in Section H of the School's policies and procedures, "The Administration, in consultation with the Business Manager, shall regularly report to the Governing Council regarding the extent to which actual revenues and actual expenditures in the major line items (i.e. those items designated by the Public Education Department as requiring Budget Adjustment Requests for any changes) vary from budgeted amounts reflected in the Final Approved Budget. The Administration shall present any recommended Budget Adjustment Requests to the Governing Council prior to submission to the Public Education Department. No changes to the major budget line items in the Final Approved Budget shall be modified without the approval of the Governing Council."

Effect: When BARs are not first discussed with the Governing Council, this prevents the Governing Council from having accurate information regarding the budget in order to make decisions. The School is not in compliance with their policies and procedures.

Cause: The School did not follow internal policies and procedures. Alternatively, Governing Council minutes were not complete to include details of all items discussed and approved.

Auditors' Recommendation: Ensure the Governing Council approves all BARs. In addition, we recommend that the minutes include necessary detailed information pertaining to all items discussed.

Management's Response: The minutes will be reviewed prior to being presented to the Governing Council for approval to ensure that all approval items, including BARS, are correctly identified in the meeting minutes.

2014-005 Violation of the New Mexico Anti-Donation Clause (Non-Compliance, Other Matters)

Condition: The School has entered into a Pledge and Covenant Agreement with a third party lender to secure debt of a legally separate entity (the Horizon Academy Foundation, a 501(c)(3) organization). Under the terms of the debt agreement, the lender required the School to pledge, transfer, and grant a security interest in and assign to the lender all funds, monies, grants or other distributions received by the School from the State of New Mexico.

Furthermore, the Pledge and Covenant Agreement identified that the School establish and maintain a depository account with the lender into which all education funding received by the School from the Public Education Department (including Equalization Guarantee Funding, Lease Reimbursement

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Program payments, and other special funds and federal pass-through funding constituting Adjusted Pledged Revenues) shall be deposited into. The lender is authorized to withdraw from this account upon default by the Horizon Academy Foundation.

Criteria: Pursuant to Article IX, Section 14 of the New Mexico State Constitution (Anti-Donation Clause), neither the state nor any county, school district or municipality shall directly or indirectly lend or pledge its credit or make any donation to or in aid of any person, association or public or private corporation.

Effect: As the School has pledged revenues to secure debt payments on an obligation not owed by the School and is in violation of state statute. As a result of this violation, the debt could be considered invalid.

Cause: The School was unaware that the securitization of debt was a violation of state statute. Furthermore, the School did not seek approval by the Public Education Department to ensure compliance with New Mexico State Law.

Recommendation: We recommend that the School seek immediate assistance from the Public Education Department for guidance on communication between the Foundation and Lender to re-negotiate the terms of the debt agreement to exclude any future pledging by the School. It is further recommended that the revised and final debt agreement be reviewed and accepted by the Public Education Department General Counsel to ensure compliance with New Mexico State Law.

Management Response: Horizon Academy West submits this response to the proposed finding, in accordance with 2.2.2.9(l)(3)(c)(vi) NMAC. Although management's response is usually used to provide a statement of how Management will correct the identified concern, here Management denies that the Finding is appropriate and that it violates Generally Accepted Government Auditing Standards ("GAGAS") and various provisions of the Code of Conduct for the American Institute of CPA's ("AICPA"), as described herein.

Management's response to the stated "Condition"

In response to the IPA's description of the "Condition," School Management (hereinafter, "Management") contends that the IPA has not correctly interpreted the School's obligation under the Pledge and Covenant Agreement ("PCA"). The IPA states that the "School has entered into a Pledge and Covenant Agreement with a third party lender to secure debt of a legally separate entity (the Horizon

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Academy Foundation, a 501(c)(3) organization)¹(emphasis added).” However, there is no such commitment in the PCA, which a thorough reading and understanding of the plain language in the document reveals.

The PCA contains the following pertinent recital clauses, which are further expressed in specific provisions therein:

WHEREAS, the Company and the School have entered into an Amended and Restated Lease Agreement of even date herewith (together with any successor lease purchase agreement entered into in accordance with Section 3(1) hereof, referred to as the "Lease") pursuant to which the School has agreed, *subject of the rights of the School to terminate its obligations under the Lease on an annual basis, to make lease payments in the amounts and at such times as stated in the Lease;* and

WHEREAS, the School has agreed to pledge pursuant to this Agreement certain "Adjusted Pledged Revenues" (as hereinafter defined) of the School *in order to provide additional security for the timely payments of amounts due under the Lease, provided that the School's obligations and agreements hereunder shall not exceed the School's obligations under the Lease.*

(Emphasis added).

The intention of the parties to the PCA, and the purpose of the PCA, is expressed in these Recital clauses. The intentions are supported by provisions of the PCA: i.e. that the School’s “pledge” is only to secure the payments due under the Amended and Restated Lease Agreement (“Lease”) between the School (as tenant) and the School’s Foundation (as landlord/borrower), and is only to the extent of the School’s Lease payment obligations. In Section 2(A) of the PCA, the pledge is limited to “secur[ing] the [School’s] payment of the lease payments in accordance with the terms of the Lease.” There is no language that states that the School is securing the underlying debt obligation of the Foundation. The PCA is for the sole purpose of assuring that the School will pay its Lease payments each year as the School is funded; there is no agreement to pay any obligation of the Foundation, if the Foundation

¹ The Horizon Academy Foundation (“Foundation”) exists for the purpose of acquiring a facility for Horizon Academy West, a New Mexico public charter school (“School”) as contemplated by the statutory requirement set forth in NMSA 1978, §22-8B-4.2(D) (“D. On or after July 1, 2015, a new charter school shall not open and an existing charter shall not be renewed unless the charter school 1) is housed in a building that is: (a) owned by the charter school, the school district, the state, an institution of the state, another political subdivision of the state, the federal government or one of its agencies or a tribal government...”)

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should default on its loan from the lender. The IPA's statement is simply not implied or expressed anywhere in the PCA, or in any document identified by the IPA. Even when the IPA was provided with a written legal analysis from Management's attorney regarding the extent of the pledge (before officially issuing the Finding), the IPA offered no explanation or opposing legal opinion (evidence) upon which it relied when issuing the Finding despite clear legal authority supporting the opposite conclusion.² See *discussion infra "Additional Concerns of Management," regarding IPA independence and basis for issuing Finding.*

Moreover, the Lease provides numerous contractual terms that ensure that the School's financial commitments are restricted to the obligations of the Lease, which in turn are confined on an annual basis and which contain an appropriations clause. Under the Lease, the School is never obligated beyond its then-current fiscal year, and certainly not to any external debt obligations of the School's Foundation. Examples³ of provisions in the Lease that ensure that the School is not pledging any "credit" to secure the Foundation's debt, but rather that it is pledging to perform under the terms of the Lease with the Foundation, include the following, which the IPA makes no mention of in its assessment of the "evidence" used to support this finding:

1. Paragraph 3: the Lease is contingent on sufficient appropriations being made by the State for performance of the Lease.
2. Paragraph 4: the term of the Lease is year to year as recited in the PCA and includes another recitation of the appropriations out clause.
3. Paragraph 5: the sole use of the property is for the School;
4. Paragraph 8: "[n]o provisions of the Lease shall be construed or interpreted as creating a debt or multiple fiscal year direct or indirect debt or other financial obligation whatsoever of the School within the meaning of any constitutional or statutory limitation or requirement. No provision of this Lease shall be construed or interpreted as creating a delegation of neither the government powers nor as a donation by or a lending of the credit of the School within the meaning of any constitutional or statutory limitation or requirement. This Lease does not directly or indirectly obligate the School to make any payment beyond those appropriated for any Fiscal Year for which such payments have been appropriated" (emphasis added);
5. Paragraph 11: The school must prepare its budget to include the base rent and additional rent, unless the School, within its sole discretion, decides not to.

² GAGAS 3.67 provides, "An auditor's consideration of the risk level of each audit, including the risk of arriving at improper conclusions is also important [when exercising professional judgment]. Within the context of audit risk, exercising professional judgment in determining the sufficiency and appropriateness of evidence to be used to support the findings and conclusions based on the audit objectives and any recommendations reported is an integral part of the audit process."

³ As with any contract, the document must be read in its entirety to ensure that the meaning attributed to a particular provision is consistent with the intent of the parties.

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Further, it is unclear as to what the IPA is referring in the "Condition" when the IPA refers to "the debt agreement." The School assumes the IPA is referring to the PCA, which is not a "debt agreement." There is no "debt agreement" by the School in the context of the bond financing transaction.

The second paragraph of the Condition also reveals a misreading of the plain language of the PCA. The Condition as described by the IPA provides:

Furthermore, the Pledge and Covenant Agreement identified that the School establish and maintain a depository account with the lender into which all education funding received by the School from the Public Education Department (including Equalization Guarantee Funding, Lease Reimbursement Program payments, and other special funds and federal pass-through funding constituting Adjusted Pledged Revenues) shall be deposited into...

This is a misleading and incorrect summation of the precise language of the PCA. The PCA specifically defines "Adjusted Pledged Revenues" as:

... all funds, monies, grants, or other distributions received by the School from the State of New Mexico (the "State") with respect to (i) Equalization Guarantee funding, (ii) State Lease Reimbursement Program payments, or (iii) any other *eligible* funds or amounts held in any fund or account established by the School, *but specifically excluding* (x) State funding under the Charter School Act which is specifically dedicated to the payment of expenses of the Charter School *which do not include payment of amounts due under the Lease*, and (y) all such operating expenses of the School required under State or federal laws to provide required educational program expenditures, such *net amount hereinafter referred to as "Adjusted Pledged Revenues"* (emphasis added).

This language makes it clear that the trustee is only authorized to withdraw funds for payment of the School's obligations under the Lease and only from sources legally eligible to be used as lease payments. The IPA's stated Condition is premised on misreading of the plain language of the document; the definition of Adjusted Pledged Revenues specifically *excludes* funding not related to the Lease. Because schools are funded on an annual basis only, the *only* funding being "pledged" in the PCA is lease reimbursement funding and that portion of operating funding necessary to make the School's lease payments, for that year alone. And although the commitment is couched in terms of a "pledge", it is not a pledge of the School's credit to a third party – it is simply a mechanism to allow the trustee to make an automatic withdrawal for the lease-related (rent) funds directly, as they come due, during each year that lease-related funding is received. This is neither an Anti-Donation Clause violation (see discussion *infra*), nor is it a pledge of any revenues beyond the current year, so it cannot be a pledge of credit to secure a third-party debt as misinterpreted by the IPA.

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Finally, the IPA provides no evidence for its determination that, “[t]his lender is authorized to withdraw from this account upon default by the Horizon Academy Foundation.” Such a reading is directly in conflict of the specific PCA language. There is no such language found anywhere in the PCA or any other document referenced therein. The School did not pledge to pay the Foundation’s debt on the event of default and the IPA has not cited, and cannot cite to, any such provision, because none exists.

The IPA has provided no other reason or explanation to the School that supports the IPA’s interpretation of the PCA as stated in the Condition. See GAGAS 3.67 (appropriate judgment used when auditor has sufficient and appropriate evidence to support the findings). If in the IPA’s opinion the language of the PCA violates the Anti-Donation Clause, or any other applicable legal provision, the IPA must be able to articulate the specific offending contractual language – and that articulation must accurately reflect the document/transaction. Not only has the IPA not articulated its basis for the conclusions stated in its “Condition”, but it has issued this Finding based on an erroneous reading of the plain language in the document.

Management’s response to the stated “Criteria”

Management also takes issue with the “Criteria” cited by the IPA. The IPA simply recites a portion of the New Mexico Constitution, Article IX, §14 known as the “Anti-Donation Clause” as the criteria for this Finding.

The exit conference for the School was held on June 25, 2015. The current Finding, based on an alleged Anti-Donation Clause violation, was not raised as a concern by the IPA until more than a month and half after the exit conference. On or about August 14, 2015, Management was contacted by the IPA and was advised that the IPA had “issues” with language in the PCA; contending that there may be an Anti-Donation Clause violation. Later, during a telephone conversation he advised Management that an audit finding would be issued unless the School could provide a satisfactory legal analysis in response. Based on an emails and phone conversations between the School’s Business Manager, and the IPA it appears that imposition of the suggested “new” finding was based on reliance on the New Mexico Public Education Department’s (“NMPED”) interpretation of the PCA, not the IPA’s.

There was no mention of a legal violation *before* the exit conference and it was only after the IPA mentioned meetings with the NMPED that the “concern” arose. NMPED is the agency being audited, the School has been designated as a component unit of the NMPED.⁴ Despite the IPA’s ethical obligation to communicate issues of noncompliance with those charged with governance *during the audit process*, the IPA did not until after *the component unit’s audit was complete*. AICPA AU-C§250.23.

⁴ It is unclear at best as to whether NMPED has any authority, jurisdiction, or even a place at the table at this point in the School’s audit process. Management has never been provided with any determination by the IPA or the NMPED that GASBS rules, if applied, compel a determination that the School is a component unit of the NMPED. See 2.2.2.10(A)(1)(a) NMAC (requiring determination that entity a component unit of primary government).

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At the IPA's request, Management's attorney prepared a legal opinion letter to address the IPA's stated question about the PCA, which was provided to the IPA on or about August 18, 2015. Management's attorney provided the following legal analysis based on the limited information provided by the IPA to support his alleged concern that the PCA violated the Anti-Donation Clause:

Ms. [], Director
Ms. [], Business Manager
3021 Todos Santos, NW
Albuquerque, NM 87120

Re: Response to auditor's question concerning Pledge and Security Agreement

Dear Ms. [] and Ms. []:

You have asked me to provide a legal opinion to Horizon Academy West ("School's") in response to the auditor's concerns about language in the Pledge and Security Agreement ("Agreement"). The auditor's question is whether the School's "pledge" under the terms of the Agreement is in violation of Article IX, Section 14 of the New Mexico Constitution ("Anti-Donation Clause"). Specifically, the auditor asks for my opinion as to whether the Agreement is a direct or indirect loan or pledge of the School's credit as is prohibited by the Anti-Donation Clause.

Short Answer: No. The School is not agreeing to directly or indirectly pledge or loan its credit to the benefit of the Foundation or other third party that would give rise to a violation of the Anti-Donation Clause.

ANALYSIS.

First, you must look at what is being "pledged," which is described in the Agreement and which is clarified through a review of the Amended and Restated Lease ("Lease") referenced therein. The recital provisions of the Agreement explain the parties' intent and articulate that the School and Foundation entered into the Lease, which covers the terms and condition of the School's occupancy of its current school. A plain reading of the Agreement and the Lease reveal that the only obligation secured by the Agreement, is the School's obligations under the Lease. Nowhere in the Agreement (or the Lease) does the School commit to become liable or assume any obligation to any third party for the benefit of the Foundation. Specifically, the School has not pledged to assume the Foundation's responsibilities in the underlying bond transaction, which is clear from language in fifth Recital clause which states that the purpose of the Agreement is, "to provide additional security for timely payments of amounts owed under the Lease, provided

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that the School's obligations and agreements hereunder shall not exceed the School's obligations under the Lease." (emphasis added). Thus, there is simply no lending or pledging of credit as intended by the Anti-Donation Clause and as described by New Mexico courts.

The New Mexico Supreme court considered an Anti-Donation Clause challenge to the sale of public utilities to a private utility company in *City of Clovis v. Southwestern Public Service Co.* The court held that the contract at issue (instalment payments to be paid by the private utility to the City as consideration for the sale) did not constitute a "loan or pledge of credit" in violation of the ADC. The court explained that the contract could not violate the Anti-Donation Clause because it was not a pledge or loan of credit – at all. The court reasoned:

Nothing in this phase of the transaction possessed any element of guaranty, suretyship or pledge by the City of Clovis *whereby the City became liable to do or perform any act or thing, or to incur any obligation, or *276 pay any sum of money, in behalf of, or for the benefit of, the utility company, or to become liable for, or assure the performance of, any obligation, or the discharge of any liability of the utility to any third person.*

City of Clovis v. Southwestern Public Service Co. 1945-NMSC-030 {21}, 49 N.M. 270, 275, 161 P.2d 878, 881. (emphasis added). See also, *Hotels of Distinction West Inc. v. City of Albuquerque*, 1988-NMSC-047, 107 N.M. 257, 755 P.2d 595 (anti-donation clause not violated where entity did not invest in the project through lending of municipal funds); N.M. Att'y Gen. Op. 85-27 (1985), WL 204889 (The word "credit" implies the imposition of some new financial responsibility upon the state which results in the creation of state debt for the benefit of a private enterprise. No new state debt is created by paying from existing state funds.)

Here, there is no provision in the Agreement whereby the School is committing to pay, assume, assure, or discharge obligations of the Foundation or any other third party. Simply, the Agreement addresses the School's pledge to fulfill the School's contractual obligations related to leasing a public school. The Lease does not require the School to assume any obligation of the Foundation or third parties. As in *City of Clovis*, there is simply no pledge or lending of credit to be scrutinized for an Anti-Donation Violation.

Finally, it is important to remember that New Mexico charter schools cannot incur debt and have no taxing or bonding authority. In other words, unlike a school district, it has no credit to offer. The School could not promise to issue a bond to pay for property or other obligations of third parties. See e.g. *White v. Board of Education of Silver City*, 42 N.M. 94, 75 P.2d 712(1938)(issuance of bonds to acquire a facility for another entity was technically a violation); *Hutcheson v. Atherton, et al.* 1940-NMSC-001, 44 N.M. 144, 99 P.2d 462. (Legislation enacted for

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New Mexico counties to issue bonds to pay for obligations of a private, nonprofit corporation, the court struck down the legislation as unconstitutional).

It is difficult to extract a situation in which a charter school could “loan or pledge its credit” when it cannot incur debt, nor use funds that are not tied directly to its budget each year. When viewing whether a transaction violates the Anti-Donation Clause, it must be scrutinized “with reference to the evils it was intended to correct.” *See City of Clovis v. Southwestern Pub. Serv. Co.*, 49 N.M. 270, 276, 161 P.2d 878 (1945). “The clause was intended to prevent the investment of public funds in private enterprises. It was not intended to affect governmental services to the public or the accomplishment of governmental functions.” N.M.AG. Op. No. 97-02, 1997 WL 401040. Charter Schools must be able to enter in to Leases, even complicated transactions that require giving the School’s assurances to investors that it will pay *its* obligations. Pledging to pay your own debts as is the intent of the Agreement is a very different matter than pledging to pay a third-party’s obligations.

This opinion of Management’s counsel is incorporated herein as support for the Management’s Response and in opposition to a legal determination that the PCA violates the Anti-Donation Clause.

The IPA did not respond to Management’s attorney, nor seek additional information, nor to our knowledge did the IPA contact its own counsel after receipt of the opinion letter. Rather, on August 24, 2015, after meetings with the lead auditor, NMPED and its attorneys, the IPA rejected Management’s counsel’s opinion. No legal analysis or other evidence to support rejection of Management’s attorney’s opinion was offered by the IPA to Management. Nor was Management asked for any clarification or information that the IPA believed was lacking from the opinion.

The legal opinion from Management’s legal counsel made clear that the PCA does not result in a violation of the Anti-Donation Clause and provided ample reasons and legal support for that conclusion. Whether the Anti-Donation Clause has been violated is fact-determinative, which is evident from the plethora of cases decided by multiple courts as well as by the New Mexico Attorney General on the issue, each evaluating a particular transaction or contract.

Unless the contract or transaction blatantly violates the Anti-Donation Clause, which is not always self-evident, if there is a disagreement as to whether it does or it does not, the only way the IPA can competently conclude there has been a violation is to provide evidence, e.g. a legal analysis that supports its position and/or even an Attorney General advisory opinion. GAGAS 3.63 (professional judgment includes involving competent specialists when necessary) Had the alleged violation been blatant here, or if the IPA had believed that the PCA was in violation during the IPA’s complete audit leading up to the exit conference, Management assumes that the IPA would have issued this Finding *before* the exit interview, and based on its *own* professional judgment.

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Here, not only did the IPA not identify the issue during its own audit of the component unit, but the legal question was complicated enough that the IPA agreed to await Management's attorney's opinion before issuing a finding. Yet, even after initially agreeing with Management's attorney's opinion, the IPA did an about face and rejected the analysis *without* making an independent legal analysis to avoid the risk of arriving at an improper conclusion and an inappropriate finding – this is contrary to GAGAS 3.67 (auditor should consider sufficiency and appropriateness of evidence before issuing finding). AICPA AU-C §250.A5 (“Whether an act constitutes noncompliance with laws and regulations is a matter for legal determination, which ordinarily is beyond the auditor’s professional competence to determine.”)

The AICPA AU-C §250.A23, provides that when an auditor is making considerations of laws and regulations in an audit of financial statements, the auditor may consider it appropriate to consult with the audited entity’s in-house counsel or external counsel about the application of law. If the IPA is not satisfied with that response, then it is appropriate to consult with the auditor’s own legal counsel. *See also GAGAS 3.17 (to safeguard independence the auditor should consult with an independent third party)*. Here, the audited entity is the School. Even if the NMPED is deemed to be the “primary governmental agency” of which the School is a component unit, we can find no rule governing these audits that provides the IPA may look to NMPED or its attorneys as the source of legal interpretations that would to “trump” Management’s legal opinion or – more importantly, as an excuse for not obtaining an *independent* legal analysis. The NMPED should not be the entity persuading the IPA whether a Finding should be issued. There certainly is no legal, procedural, or ethical support for the IPA taking direction from the NMPED on this issue, or taking one audited entity’s response or position on the issue over the other’s, without some clearly-articulated support or “evidence” favoring one over the other, of which none – to date – has been provided. The IPA has a duty to undertake an independent analysis of the issue, and to support its findings with sound, articulated consideration and evidence. The Criteria here do not demonstrate that this process has been followed, and Management has been presented with *nothing* to counter its previously-provided legal opinion or, stated another way, there is no legal authority to support the Finding.

Management’s response to the stated “Effect”

The School does not agree or acknowledge that the terms of the PCA are in violation of a “state statute.” Indeed, no statute has even been cited, so Management has no idea as to what the IPA can be referring here. The only violation stated under the “Criteria” is of a provision of the New Mexico Constitution: the Anti-Donation Clause (N.M. Const. art. IX, §14). Moreover, the IPA does not suggest that there *may* be noncompliance, rather the IPA reaches an affirmative legal conclusion that a violation of N.M. Const. art. IX, §14 *has* occurred. This conclusion is reached without authority or legal analysis and, therefore, the auditor has not properly recognized his limitations when reaching this decision which is beyond the scope of his professional judgment. The auditor should have acknowledged the inherent limitations on

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his ability to reach such a conclusion, because for the reasons already stated, whether an act constitutes a violation of this particular provision of law is for a legal determination, such as by a court of law or the New Mexico Attorney General. AICPA AU-C 250.05 and AU-C §250.A5.

Even if the PCA is deemed to be in violation of the Anti-Donation Clause, which Management denies for the reasons stated herein, the “debt” referenced in this section is an obligation of the Foundation. Neither the State, the NMPED nor the School has the authority to deem a contract between two private entities to be invalid or unenforceable under these circumstances. As stated above, the PCA does *not* obligate the School to repay the Foundation’s debt.

Management’s response to the stated “Cause”

The School does not agree or acknowledge that the terms of the PCA are in violation of a “state statute.” Indeed, no statute has even been cited, so Management has no idea as to what the IPA can be referring here. The only violation stated under the “Criteria” is of a provision of the New Mexico Constitution: the Anti-Donation Clause (N.M. Const. art. IX, §14). Even if the IPA incorrectly refers to the N.M. Constitution as a “state statute”, for the reasons stated herein, the School’s Management disputes that any violation occurred.

Further, there is no statute, regulation or policy that requires a charter school to seek NMPED approval of contracts such as these that are entered into by a charter school and a third party. Charter schools are authorized by statute to contract, but there is no requirement for NMPED approval found in the law. See NMSA 1978, §22-8B-4(D) and (P).

Management’s response to the stated “Recommendation.”

Although as a general matter the School is not opposed to seeking legal advice from the New Mexico Public Education Department, it has not heretofore been advised that such technical assistance is available (and Management believes that the professional rules and standards governing the legal profession likely would preclude such an arrangement). The School’s Management requests that the IPA identify the rules and policies that authorize the NMPED to provide charter schools with legal representation during contract negotiations. In addition to being unsupported by law or regulation, the recommendation here represents new policy, procedure and services never heretofore announced by the NMPED.

The School welcomes guidance from NMPED on the intricacies of facility acquisitions that are mandated by the New Mexico Legislature pursuant to which this transaction arose. If said guidance will be used to determine future compliance with regard to charter school facility acquisitions and other types of contracts, the guidance should be written and vetted through the proper regulatory channels before being dispersed. However, independent audits by an IPA are not the proper mechanism or venue for setting forth NMPED’s new public policies.

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Additional concerns of Management

The State Audit Act requires annual audits of state agencies each year by either the State Auditor or an independent auditor approved by him. NMSA 1978, §12-6-3. The audits are to be conducted in compliance with generally accepted auditing standards and rules issued by the State Auditor. *Id.* The State Audit Rule (2.2.2.1 NMAC) mandates that independent auditors sign form contracts with specific provisions insuring compliance with various accounting standards and rules. 2.2.2.8(l) NMAC. The form contract required for the IPA in this instance is found on the State Auditor's website.⁵ The contract includes the following requirement:

The Contractor represents and warrants its personal, external and organizational *independence from the Agency* in accordance with the *Governmental Auditing Standards 2011 Revision*, issued by the Comptroller General of the United States, and NMAC Section 2.2.2.8(M).

(*emphasis added*)⁶ Subparagraph M of the audit regulations mandates that an auditor perform audits applying the rules outlined in GAGAS to identify "threats of independence; evaluate the significance of the threats to independence; evaluate the significance of the threats identified; both individually and in the aggregate and apply safeguards as necessary to eliminate the threats or reduce them to an acceptable level." 2.2.2.8(M) NMAC. These rules all require an auditor to be independent. The purpose of independence of the IPA, which represents the office of the State Auditor, is to have a "completely independent representative of the people, accountable to no one else, with the power, duty and authority to examine and pass upon the activities of state officers and agencies who, by law, receive and expend public monies." *Thompson v. Legislative Audit Commission*, 1968–NMSC–184 {11}, 79 N.M. 693, 696, 448 P.2d 799, 802. The circumstances around which the Finding was issued by the IPA at a minimum raise serious questions about the IPA's independence concerning this Finding, in violation of 2.2.2.8(M) and various provisions of GAGAS.

The exit conference for the School was held on June 25, 2015. The current Finding based on an alleged Anti-Donation Clause violation was not raised as a concern by the IPA until more than a month and half after the exit conference. There was no discussion or mention of this Finding or any violation of state statute or the Anti-Donation Clause in that conference, and there had been no prior year (FY13) finding issued by the previous IPA. Even the auditor (Moss Adams) which was replaced by the current IPA and which had completed the School's FY14 audit before its contract was terminated by NMPED, did not raise issues regarding the PCA or the bond transaction.

⁵ http://www.saonm.org/media/uploads/Fillable_2015_IPA_Recommendation_Contract_-_State_Agencies_-_DFA_Approval_U2.pdf

⁶ The School has never been provided a copy of the signed contract and was never invited to be a part of selecting its auditor.

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HORIZON ACADEMY WEST (Continued)

**2014-005 Violation of the New Mexico Anti-Donation Clause (Non-Compliance, Other Matters)
(Continued)**

On or about August 14, 2015, Management was contacted by the IPA and was advised that the IPA had “issues” with language in the PCA; contending that there may be an Anti-Donation Clause violation. Later, during a telephone conversation he advised Management that an audit finding would be issued unless the School could provide a satisfactory legal analysis in response. The School’s Management presented a legal opinion from its attorney, which the IPA apparently rejected out-of-hand, without explanation, except to say that during a meeting between the lead-IPA and NMPED and its attorneys (Management not aware of or invited) – they did not agree with the analysis, so the proposed Finding would issue. Subsequently, the Business Manager for the School contacted the IPA for clarification as to whether the IPA’s attorney provided any opposing legal analysis, or whether both IPAs were relying on the NMPED’s legal counsel for its opinion. The IPA confirmed that the legal analyses upon which the IPAs relied was that of the NMPED (upon information and belief, the primary agency being audited) and that NMPED would not provide anything in writing to support “its” rejection of the School Management’s attorney’s analysis. The School also requested a copy of the IPA’s own analysis of the question, but none was provided.

Subsequent to an email request dated August 26, 2015 by Management to confirm prior conversations with the IPA, the Business Manager was contacted by the IPA and told to wait to prepare the Management’s Response to the written Finding (issued August 24, 2015). She was told that principals of the lead-IPA and NMPED officials were going to meet again to address the Finding issue – once again, the Management was not included in this meeting. Subsequently, later on August 31, 2015, the Management was contacted again by the IPA and informed that NMPED officials had met with the lead auditor and had confirmed that it was “NMPED’s and the lead auditor’s position that there should be a Finding. Inasmuch as the Finding does not reflect or set forth any reasoning or evidence upon which the IPA relied when rejecting Management’s proffered legal opinion, it is unclear what (if any) evidence or specific legal basis (case law, statutory citation, Attorney General opinion) exists to support the Finding. The IPA was clear that the purported legal analysis upon which the Finding was made was by the NMPED and was not an independent analysis obtained by the IPA or lead auditor. That analysis, however, (if it exists) remains a secret. In fact, the Business Manager was told by the IPA that NMPED’s attorney would “continue researching the question.”

GAGAS emphasizes the importance of independence and the exercise of professional judgment in conducting audits of governmental entities. GAGAS 3.01. Independence insures objectivity and minimizes outside influences that may affect professional judgment and outcomes. The IPA here has informed Management that it, the IPA, was convinced by Management’s attorney’s opinion. It was only after the lead auditor met with NMPED’s legal counsel that the IPA rejected Management’s legal analysis and apparently changed his opinion regarding issuing the Finding. However, the basis for disagreement, i.e. any legal authority or other facts related to the Finding, have never been provided to Management.

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PUBLIC EDUCATION DEPARTMENT
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HORIZON ACADEMY WEST (Continued)

**2014-005 Violation of the New Mexico Anti-Donation Clause (Non-Compliance, Other Matters)
(Continued)**

In addition, there are irregularities here regarding communications with the client. The State Audit Rule provides that “all communications with management and the agency oversight officials during the audit, regarding any instances of noncompliance or internal control weaknesses, must be communicated in writing. The auditor should obtain responsible officials’ views responding to the audit findings, pursuant to GAGAS 4.33.” 2.2.2.8(Q) NMAC. If there was an assessment as to why the School’s Management’s attorney’s legal opinion did not assuage the concerns of the IPA, then that should have been communicated to Management (the “responsible officials”) in writing so that it could address the issue at the very least in Management’s Response to the current Finding. At a minimum, Management should have been made part of any discussions with NMPED and the lead auditor on this issue, so that it could understand the basis for the Finding. Management still does not know the legal support in opposition to legal analysis provide by Management to support the IPA’s determination there has been an Anti-Donation Clause violation

GAGAS 3.04 requires that auditors maintain independence so that findings will be impartial and viewed as impartial by third parties and, to ensure that they are not perceived as incapable of exercising objective and “impartial judgment on all issues associated with conducting the audit and reporting the work.” Professional judgment of the IPA depends on its ability to determine the sufficiency of the evidence used to support the findings. GAGAS 3.67. Because of the nature of the question, it seems impossible to reach a reasonable, supportable conclusion that there is a violation of the Anti-Donation Clause, without a legal analysis. GAGAS 3.63 (consulting with external specialists is aspect of exercising professional judgment).

Management is deeply troubled by the apparent deference given to NMPED on the IPA’s decision to issue a finding. If the governmental agency being audited can influence when a finding is issued, can it also influence when one is not issued? After the exit conferences were completed, something influenced the IPA’s decision to issue a Finding. The Condition supporting the Finding here is thin and riddled with errors, and which forms the Criteria which is stated by perfunctorily applying these wrongly stated Conditions to a complex law without any reasoning or explanation. Management is entitled to evidence that sufficiently demonstrates why its attorney’s opinion was rejected – without which there is no explanation and no support for this Finding.

Management believes that this Finding should be examined by the State Auditor to determine whether the standards for issuing a finding were followed, and whether there is in fact a violation of the Anti-Donation Clause. Management believes that this Finding should not stand until and unless the Office of the Attorney General renders an opinion on the matter.

Auditor Rebuttal: Our determination that the School violated the Anti-Donation Clause was based on the “plain” language in the Pledge and Covenant Agreement entered into by the School and the Bank. While

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HORIZON ACADEMY WEST (Continued)

**2014-005 Violation of the New Mexico Anti-Donation Clause (Non-Compliance, Other Matters)
(Continued)**

we did make inquiries of the New Mexico Public Education Department's (PED) legal counsel, their response was only one component in our decision to include this as a finding and the inclusion of this finding was ultimately the decision of the auditor. Generally Accepted Government Auditing Standards (GAGAS) requires auditors to inquire of management and others regarding whether an entity is in compliance with various laws and regulations applicable to the entity in addition to discussing compliance requirements with management and its legal counsel to assist in identifying material compliance requirements. Throughout the audit we have ensured compliance with GAGAS and the independence standards and we are independent with respect to the School's audit.

Additionally, the timing of when this finding was communicated to management was not a violation of GAGAS. The School is one of nearly sixty (60) component unit school audits that need to be completed in addition to the audit of the various other funds of PED. The conclusion of the audit is when the entire audit of PED has been completed and at the time this finding was communicated to the School the audit of PED had not been completed.

THE INTERNATIONAL SCHOOL AT MESA DEL SOL

2014-001 Mileage Reimbursements – (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: For the year ended June 30, 2014, it was noted that the School reimbursed employees for mileage at a rate of fifty six cents per mile.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: "unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle."

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

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PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014

THE INTERNATIONAL SCHOOL AT MESA DEL SOL (Continued)

2014-001 Mileage Reimbursements – (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Other Matter) (Continued)

Auditors' Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management's Response: The International School at Mesa del Sol will start reimbursing mileage at 80% of the IRS standard mileage rate.

2014-002 Pledged Collateral Requirements (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During test work, we noted that the International School at Mesa de Sol was under collateralized as of June 30, 2014.

Criteria: Per NMSA 6-10-17, Any bank or savings and loan association designated as a depository of public money shall deliver securities to a custodial bank and shall then 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 deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received.

Effect: International School at Mesa de Sol is not in compliance with Section 6-10-17 NMSA 1978.

Cause: The School was not monitoring the account balances of the School to ensure that proper amount of pledged collateral was being maintained.

Auditors' Recommendation: It is recommended that the School monitor cash balances to ensure that they are meeting all requirements of the State Auditor.

Management's Response: The International School at Mesa del Sol, while working with a different business manager (previous to its current business management service provider), switched banks. The pledged collateral issue was taken care of August 2014 under the new/current business management service provider.

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THE INTERNATIONAL SCHOOL AT MESA DEL SOL (Continued)

2013-001 [CS 2013-01-EE] Audit Committee/Exit Conference - Repeated (Non Compliance)

Condition: During our review of the audit committee member listing, the school could not provide detail to show that the volunteer member had experience in accounting or financial matters.

Criteria: Per NMSA 22-8-12.3 (D), each school local school board shall appoint an audit committee that consists of two board members, one volunteer member who is a parent of a student attending that school district and one volunteer member who has experience in accounting or financial matters.

Effect: The school does not have the proper over-sight as required by NMSA 22-8- 12.3. Errors could go undetected.

Cause: Management has been unsuccessful recruiting the required members for the audit committee.

Auditors' Recommendation: We recommend that the school find the required members to be in compliance with the State requirement and that a member from the audit committee be aware and attend the exit conference as required.

Management's Response: The International School at Mesa del Sol had a community volunteer for the audit committee but could not document the accounting and financial background of the member. The school will endeavor to ensure that its audit committee is properly structured.

J. PAUL TAYLOR ACADEMY

2014-001 Supporting Documentation – (Significant Deficiency)

Condition: In a sample of sixty-six cash disbursements selected for testing, the following item was noted:

- For twenty-seven items in the amount of \$51,367.12, there was no indication of approval or review by someone other than the business manager.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

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J. PAUL TAYLOR ACADEMY (Continued)

2014-001 Supporting Documentation – (Significant Deficiency) (Continued)

Effect: Unsupported cash disbursements, makes the school at risk for unauthorized expenditures or fraud.

Cause: School personnel did not follow established procurement policies of the School.

Auditors' Recommendation: The School should put in place internal controls so that documentation for all cash disbursements is available for examination both by school personnel and external parties such as the auditors. Cash disbursements should be reviewed and approved by someone other than the business manager, such as the principal or the treasurer of the governing council.

Management's Response: Management disagrees with this finding. Prior to invoices being paid, the Head Administrator reviews all invoices. Once the disbursements are processed by the Business Manager, the Governance Council Treasurer reviews all invoices prior to signing the checks. In addition, the Governance Council also reviews the check register and approves it on a quarterly basis as noted in the minutes. As per the "effect" noted above, all disbursements have supporting documentation.

Auditor's Response: Although the processes mentioned in the management response section may have occurred, there was no way to determine that they occurred. The School should come up with a method to document their review process so that there is evidence this occurred.

LA JICARITA COMMUNITY SCHOOL

2014-001 Travel and Per-Diem – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: We reviewed three travel reimbursement requests and noted that one mileage reimbursement was reimbursed at the rate of 55 cents per mile, the applicable Internal Revenue Service rate at the time.

Criteria: NMAC 2.42.2.11(b)(1) states that public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile at 80% of the IRS standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Effect: The School is not in compliance with the Per Diem and Mileage Act and overpaid an employee for travel on behalf of the School.

Cause: The School did not have internal controls in place to ensure mileage reimbursements were paid in accordance with the New Mexico Per Diem and Mileage Act.

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PUBLIC EDUCATION DEPARTMENT
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LA JICARITA COMMUNITY SCHOOL (Continued)

2014-001 Travel and Per-Diem – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Continued)

Auditors' Recommendation: The School should follow the Per Diem and Mileage Act for local governments when paying for mileage reimbursements.

Management's Response: The School has reviewed NMAC 2.42.11(b) (1) and will follow the Per Diem and Mileage Act for local governments when paying for mileage reimbursements in the future.

2014-002 Internal Control Structure – Noncompliance in Accordance with the New Mexico State Audit Rule (Significant Deficiency)

Condition: During our internal control test work over a sample of 25 disbursements there were six disbursements for which supporting documentation was not available for our review. These disbursements totaled approximately \$28,000.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: The School did not comply with State requirements. Additionally, purchases could be made without proper approval and expenditures could be reported inaccurately to PED or misclassified in an improper fund, which could lead to funds being overspent and balances misstated.

Cause: The School did not maintain adequate support for disbursements.

Auditors' Recommendation: Ensure supporting documentation, including purchase orders, invoices, etc., are adequately maintained for all cash disbursements.

Management's Response: The School has established a multi-step procurement process of internal controls to ensure that supporting documentation is in place for all disbursements. Additionally, the School director has recently become a certified procurement officer and will supervise all purchases.

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Year Ended June 30, 2014**

LA JICARITA COMMUNITY SCHOOL (Continued)

2014-003 Payroll and Personnel Files – Noncompliance with the New Mexico State Audit Rule (Material Weakness)

Condition: During our internal control test work over a sample of 25 payroll transactions we noted the following:

- The “Offer of Employment” used by the School states the minimum compensation to be received and benefits and stipends for extra duties as determined by the Governing Council will also be received. It goes on to state that the exact salary level will be determined by licensure documents, transcripts and records of previous teaching experience as a licensed teacher. The School was unable to provide us with a document showing the final determination of an individual’s compensation. Consequently, for four of the five salaried employees tested we were unable to determine if the compensation paid was accurate and properly approved.
- Our sample included six transactions occurring on pay dates between July 19, 2013 and October 25, 2013. Per review of these transactions we noted that ERB and RHC deductions were either not withheld or were withheld at the incorrect employer and employee rates. During October 2013 a new business manager was hired who prepared and submitted the required ERB contribution form and the required employer and employee contributions on November 8, 2013.
- In reviewing the internal controls over payroll we noted that the School was not consistently and accurately tracking employee leave.
- For one employee reviewed we noted that they were offered employment on August 30, 2013 and the employee accepted the offer on September 3, 2013. This employee did not sign the authorization form for a background check until March 10, 2015, or 18 months later.
- We noted an education assistant compensated throughout the year for which a PED license was not available for our review. Additionally, a background check for this employee was not available for our review.
- For two hourly employees, timesheets were not available for our review. For one of these employees the only documentation for the rate paid was an email from the employee to the business manager informing them what their hourly rate is.
- For one employee, an insurance deduction form was not available for our review, and for another employee the form was not completed correctly as portions of the form were blank.
- During the year the School Director taught math. However, per review of the personnel file for the School Director we noted that he held licenses for Pre K-12 Administration and grades 7-12 Secondary Education, but did not have the required Elementary K-8 license to be teaching at the School.
-

Criteria: NMAC 6.20.2.18 requires various employee records and documentation to be maintained and available for inspection, including personnel/payroll action forms that properly document employee compensation. ERB and RHC should be withheld at the applicable rates.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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LA JICARITA COMMUNITY SCHOOL (Continued)

2014-003 Payroll and Personnel Files – Noncompliance with the New Mexico State Audit Rule (Material Weakness) (Continued)

Pursuant to 22-10.3.3 NMSA 1978, policies and procedures should be developed requiring background checks on an applicant who has been offered employment with unsupervised access to students at a charter school.

NMAC 6.61.2 outlines the licensure requirements for persons seeking licensure to teach elementary education.

Effect: The School is not in compliance with its payroll processing and payment policies and procedures and NMAC 6.20.2.18. The School is also not in compliance with 22-10-.3.3 NMSA 1978 and NMAC 6.61.2.

Cause: Adequate policies and procedures have not been developed and implemented to ensure compliance with the above rules and regulations. It appears the business manager at the time was unable to setup payroll deductions properly and consequently, ERB/RHC wasn't withheld and submitted in a timely manner for the time period noted above.

Auditors' Recommendation: Personnel files should be periodically reviewed to ensure all required personnel file documents have been obtained and are complete and accurate, including benefit election forms and compensation documentation. Individual base compensation should agree to the La Jicarita Community School Salary Schedule approved by the Governing Council with additional compensation (i.e. stipends, etc.) separately documented and approved. Internal controls should also include monthly reviews by appropriate personnel to ensure all required payments and reports, such as ERB/RHC, to ensure they are processed accurately and submitted timely.

Internal controls should be developed and implemented to ensure background checks are completed timely and accurately and to ensure that all School employees have the required licenses to perform their duties prior to beginning employment.

Management's Response: The School has updated their employee contracts to specify either the yearly salaried amount or the hourly rate at which the employee is to be paid. The School has started tracking employee leave through their accounting software, which automatically updates an employee's leave, and is manually updating any leave taken in the system. The School is currently conducting an internal review of all personnel files to ensure that background checks, PED licenses and proper employee benefit forms have been obtained from employees and are up-to-date.

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LA JICARITA COMMUNITY SCHOOL (Continued)

2014-004 Procurement – Noncompliance in Accordance with the New Mexico State Audit Rule (Significant Deficiency)

Condition: The La Jicarita Community School Foundation (Foundation) secured a \$450,000 loan for capital improvements for the School in fiscal year 2013. During fiscal year 2014 the Foundation expended the remaining amount of this loan, or approximately \$336,000, for capital improvements. We requested documentation supporting the Foundation's decision for selecting the contractor who performed the work, however, adequate support could not be provided.

Criteria: Per NMAC 6.20.2.17 – Purchasing, a. each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

Effect: The Foundation could be overpaying for goods and services.

Cause: Internal controls are not in place to ensure compliance with the criteria specified above.

Auditors' Recommendation: Designate an appropriate individual who would be responsible for maintaining records and ensuring State procurement policies and procedures are being implemented, maintained and followed.

Management's Response: The Foundation President agrees with the finding. By acknowledging the lack of internal controls and processes, the Foundation will put the proper procedures and policies in place to avoid overpaying for goods and services and to adhere to the Procurement Code of the NMSA.

2013-002 [CS 2013-02-MM] Internal Control Structure - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Repeated)

Condition: The Foundation does not have adequate segregation of duties over the processing of invoices and cash receipts.

Criteria: Best practices dictate that an entity should establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls

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LA JICARITA COMMUNITY SCHOOL (Continued)

2013-002 [CS 2013-02-MM] Internal Control Structure - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Repeated) (Continued)

(rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.

Effect: Without proper segregation of duties, it may be difficult to detect and correct errors and deter and detect fraud and abuse.

Cause: The Foundation does not have any staff. Consequently, most transactions are completed by the President.

Auditors' Recommendation: The Foundation should ensure that duties and functions are segregated between board members as much as possible to mitigate the ability of one person to record, authorize, and use assets without review or authorization.

Management's Response: This finding is valid and highlights a vulnerable issue with the Foundation. As the Foundation relies on volunteers it is important to recruit competent and qualified members. A diverse and high-functioning board would result in the distribution of responsibilities among members, more transparency and controls. However it is challenging to find qualified volunteers to fill the board positions from such a rural and sparsely populated community. Although the current Foundation members will work to recruit qualified members, they will also ensure that proper policies are in order to track the Foundation's work, agreements and transactions. As much as possible, at least two members will be responsible for transactions so that the responsibility is not the President's alone.

LA PROMESA EARLY LEARNING CENTER

2014-001 Purchase Orders Subsequent to Invoice – (Significant Deficiency)

Condition: During our testing of sixty cash disbursements, there were two instances (\$1,900.00 and \$1,292.76) in where the Purchase Order was prepared subsequent to the vendor's invoice date.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

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LA PROMESA EARLY LEARNING CENTER (Continued)

2014-001 Purchase Orders Subsequent to Invoice – (Significant Deficiency) (Continued)

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established procurement policies of the School.

Recommendation: All School personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management Response: The Business Manager and Business Office assistant will meet with the staff in August to discuss the purchasing policies. No Invoice will be paid without a Purchase Order being issued prior to any order/invoice.

2014-002 Educational Retirement Board Contributions – (Non Compliance)

Condition: We noted that payments for the Educational Retirement Board (ERB) reports for August 2013 and February 2014 were paid later than the required 15 days after the end of the month. The School incurred penalties of \$20.00 for these two instances of late payments.

Criteria: Per ERB rules, the electronic reports, consisting of salaries and contributions and demographic information, must be sent by the 15th day of the following the month covered by the report. The form must be faxed the same day that contributions are electronically submitted, no later than the 15th day of the month following the month covered by the report.

Effect: In accordance with the Educational Retirement Act and ERB rules, penalties were assessed to the School because the contributions and/or report were not remitted by the due date.

Cause: The reports were not properly reviewed to ensure they were submitted on time.

Recommendation: We recommend the School implement review procedures to ensure that ERB payments are processed and paid in a timely manner.

Management Response: The Business Manager and Business Office Assistant will work together to ensure that all ERB payments, paperwork and electronic files are turned in to NMERB by the 15th of each month.

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PUBLIC EDUCATION DEPARTMENT
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LA PROMESA EARLY LEARNING CENTER (Continued)

2014-003 Budgetary Condition -- (Non Compliance)

Condition: The School had an expenditure function where actual expenditures exceeded budgetary authority:

Pre-K Initiative
Support Services \$7,491

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22- 8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control. Per NMAC 6.20.2.10.B, School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Cause: The School did not complete maintenance BAR's during the year to correct.

Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments and review of amounts being reported to PED.

Management Response: All BARs will be submitted to our Governing Council and the PED by given deadlines for each fiscal year in order to avoid over expenditure of budget function line items. Budgets will be reviewed on a monthly basis down to function level by the Business Manager and Finance Committee to ensure this does not happen again.

LA RESOLANA LEADERSHIP ACADEMY

2014-001 Negative Total Net Position – (Material Weakness)

Condition: At June 30, 2014 it was noted that the School had a Total Net Position that was negative in the amount of \$61,702.

Criteria: Section NMAC 6.20.2.9 requires that schools follow budgetary requirements outlined in Section 22-8-5 through 22-8-12.2, NMSA 1978, and procedures of the New Mexico Public Education Department in preparing, submitting and reporting budgetary information.

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LA RESOLANA LEADERSHIP ACADEMY (Continued)

2014-001 Negative Total Net Position – (Material Weakness) (Continued)

Effect: A negative Total Net Position and the cash shortages that may result from this, may make the School unable to meet its future payment obligations.

Cause: Total Net Position being negative is a cumulative effect of expenses exceeding revenues.

Recommendation: The School should forecast future revenue and expenditures in developing a balanced budget.

Management Response: The School has developed a financial plan to address the deficit balance. The lease for the upcoming school year has cut in half which will help the budget.

LA TIERRA MONTESSORI SCHOOL FOR THE ARTS AND SCIENCES

2014-001 Cash Disbursements Transaction Cycle Control Deficiencies (Significant Deficiency)

Condition: Through testing procedures performed relating to the cash disbursements transaction cycle, we noted the following:

- In 1 of 27 cash disbursements tested, the Purchase Order was dated and approved subsequent to the invoice date.
- In 1 of 27 cash disbursements tested, the Purchase Order was not approved.

Criteria: According to NMAC 6.20.2.11(A), every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

Effect: When goods or services are purchased without prior proper approval, there is increased risk for fraudulent or erroneous purchases of items that are inappropriate or not allowed.

Cause: The controls over the cash disbursements transaction cycle operated differently over the course of the fiscal year due to personnel changes.

Recommendation: We recommend that La Tierra provide proper training for all employees involved in the cash disbursements process, so that each employee has an adequate understanding of the procedures required for cash disbursements transactions, specifically that purchase orders must be completed and approved prior to purchase of goods/services.

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LA TIERRA MONTESSORI SCHOOL FOR THE ARTS AND SCIENCES (Continued)

**2014-001 Cash Disbursements Transaction Cycle Control Deficiencies (Significant Deficiency)
(Continued)**

Management Response: La Tierra Montessori School of the Arts and Sciences had a transition in the Office Manager Position during FY2014. The exception happened at the time of the transition. The individual hired for the position has been trained in procurement and procedures for cash disbursements. The school continues to train all staff in proper procedures for public money.

THE MASTERS PROGRAM

2014-001 Mileage Reimbursements – Noncompliance with the New Mexico State Auditor Rule (Other Matter)

Condition: For the year ended June 30, 2014, it was noted that the School reimbursed employees at a mileage rate of fifty six cents per mile for a portion of the year. For a portion of the fiscal year some employees were reimbursed at a rate of 80% of the of the internal revenue service standard mileage rate set January 1 of the previous year.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School has received conflicting information on what the correct mileage reimbursement rate is. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Auditors’ Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management’s Response: Management is in complete agreement and will advise the Governance Council to adopt the appropriate resolution at its June meeting.

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THE MASTERS PROGRAM (Continued)

2014-002 Procurement Documentation – Noncompliance with the New Mexico State Auditor Rule (Significant Deficiency)

Condition: During our test-work of sixty cash disbursements the following items were noted:

- There were two disbursements (\$106.65 and \$211.26) where the School could not provide any supporting documentation.
- There were two cash disbursements (\$59.95 and \$378.66) where the Purchase Order was prepared subsequent to the vendor's invoice date

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established procurement policies of the School.

Auditors' Recommendation: The School should maintain supporting documentation for all cash disbursements. All School personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management's Response: Management fully understands the importance of supporting documentation for cash disbursements and makes every effort to comply with this requirement. The missing documentation for these disbursements are located in a missing file that management is still searching for its location but believe the documentation exists. In addition management will work on making sure the PO is in place before items are purchased.

2014-003 Personnel Files – Noncompliance with the New Mexico State Auditor Rule (Other Matter)

Condition: In a payroll test of ten personnel files, one personnel file was missing the Form I-9.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), federal and state withholding certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

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THE MASTERS PROGRAM (Continued)

**2014-003 Personnel Files – Noncompliance with the New Mexico State Auditor Rule (Other Matter)
(Continued)**

Effect: The School is not in compliance with New Mexico State Statutes in regards to employee record documentation.

Cause: School personnel failed to obtain a Form I-9 from the individual when they were hired.

Auditor's Recommendation: The School should review all personnel files to ensure that required documentation required by NMAC 6.20.2.18 is available.

Management's Response: Management fully understands the importance of documentation in compliance with employment laws and makes every effort to maintain complete personnel files. Management will undertake a full review of all personnel files by the end of this fiscal year (2015).

MCCURDY CHARTER SCHOOL

2013-002 [CS 2013-02-PP] Procurement (Non-compliance)

Condition: During our procurement test work, we noted the School did not go out to bid for services provided by 2 vendors, vendor 1 services amounted to \$55,463.08 and vendor 2 services amounted to \$51,334.35. Additionally, we noted that the school was late in submitting the required procurement filings for their food services vendor. Food services had been rendered prior to approval. Food services amounted to \$304,347.

Criteria: Per NMAC 6.20.2.17 PURCHASING: A. Each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations. Per 7 CFR part 210.21(f) Cost reimbursable contracts-(1) Required provisions. The school food authority must include the following provisions in all cost reimbursable contracts, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts: (i) allowable costs will be paid from the nonprofit school service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority.

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MCCURDY CHARTER SCHOOL (Continued)

2013-002 [CS 2013-02-PP] Procurement (Non-compliance) (Continued)

Cause: The School could be overpaying for goods and services.

Effect: The School needed to find a vendor and used the vendor previously contracted and was unaware of the contract wording.

Recommendation: We recommend that the School designate a procurement agent who would be accountable for maintaining records and ensuring State procurement policies are being implemented and followed.

Management Response: MCS has a new financial department, including Director and Clerks. Governing Council has reviewed and approved updated policies and staff has been trained in the policy. The school continues to work on making sure that all staff follows the procedures and internal controls that have been established.

2014-001 Journal Entry Process (Significant Deficiency)

Condition: During review of manual journal entry procedures, it was noted that the school did not have a procedure in place for recording, reviewing or approving manual journal entries into the general ledger.

Criteria: Pursuant to NMAC 6.20.2.11 (B), schools are required to implement a system of authorization and recording procedures over all transaction classes.

Cause: The general control environment was such that many controls were nonexistent or were simply not adhered to.

Effect: The school's financial statements were subject to misappropriation or material misstatement as a result of the lack of protocol.

Recommendation: We recommend that the governing body develop and implement a procedure to specifically address the journal entry process to mitigate such potential misstatements or misappropriations.

Management Response: MCS has a new financial department. Procedures have been implemented to have Journal Entry's properly documented and reviewed.

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MCCURDY CHARTER SCHOOL (Continued)

2014-002 Internal Control Environment (Material Weakness)

Condition: Evaluation of the design and implementation of internal controls over financial reporting indicated that at the governance level there was not adequate controls in place to prevent or detect and correct potential material misstatements to the financial statements.

Criteria: Pursuant to NMAC 6.20.2.11 (A), schools are required to implement a system of authorization and recording procedures over all transaction classes to mitigate the risk of material misstatement.

Cause: The general control environment was such that many controls were non-existent or were simply not adhered to.

Effect: The schools financial statements were subject to misappropriation and/or material misstatement as a result of the lack of the appropriate oversight by the governing body.

Recommendation: We recommend that the school develop and implement a comprehensive set of internal control policies. Subsequent to year end, the board passed resolutions which included written procedures over internal controls.

Management Response: MCS has a new financial department, including Director and Clerks. Governing Council has reviewed and approved updated policies and staff has been trained in the policy. The school continues to work on making sure that all staff follows the procedures and internal controls that have been established.

2014-003 Non-compliance with cash deposit requirements (Compliance)

Condition: For 2 of the 5 samples tested it was noted that deposit of funds into a financial institution was either not completed within 24 hours, or we were unable to verify that funds were deposited on time due to lack of documentation.

Criteria: Cash receipts shall be deposited into a financial institution within 24 hours of receipt

Cause: School did not have a systematic process in place to be in compliance with this requirement.

Effect: Public monies are susceptible to theft or misappropriation if not deposited in a timely manner.

Recommendation: We recommend that the school augment their internal policy to comply with state statutes, specifically regarding the deposit of cash receipts into a financial institution within 24 hours of receipt, and follow the aforementioned policy going forward.

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MCCURDY CHARTER SCHOOL (Continued)

2014-003 Non-compliance with cash deposit requirements (Compliance) (Continued)

Management Response: MCS has a new financial department, including Director and Clerks. Governing Council has reviewed and approved updated policies and staff has been trained in the policy. The school continues to work on making sure that all staff follows the procedures and internal controls that have been established.

2014-004 Controls over cash disbursements cycle (Significant Deficiency)

Condition: Out of 25 cash disbursements selected for control testing, 12 disbursements did not have purchase requisitions as required by the process, and 2 disbursements had purchase orders that were dated after the invoice.

Criteria: Pursuant to NMAC 6.20.2.11 (A), schools should implement a system of authorization and recording procedures.

Cause: The general control environment was such that many controls were non-existent or were simply not adhered to.

Effect: Purchases that do not adhere to procurement protocol could result in budget overages or purchases of items not authorized.

Recommendation: We recommend that the school develop and implement a comprehensive cash disbursement policy complete with a strong control environment, and adhere to the policy for all cash disbursements.

Management Response: MCS has a new financial department, including Director and Clerks. Governing Council has reviewed and approved updated policies and staff has been trained in the policy. The school continues to work on making sure that all staff follows the procedures and internal controls that have been established.

2014-005 Controls over payroll disbursements cycle (Significant Deficiency)

Condition: Out of 25 payroll disbursements selected for control testing, 1 disbursement did not have adequate support for the amount of hours worked, and 8 disbursements were made with pay rates that were not consistent with the executed contract on file.

Criteria: Pursuant to NMAC 6.20.2.11 (A), schools should implement a system of authorization and recording procedures.

Cause: The general control environment was such that many controls were non-existent or were simply not adhered to.

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MCCURDY CHARTER SCHOOL (Continued)

2014-005 Controls over payroll disbursements cycle (Significant Deficiency) (Continued)

Effect: Employees could potentially be over or under paid if contract rates are not properly factored into payroll disbursements.

Recommendation: We recommend that the school add an executed addendum to contracts when compensation amounts are adjusted. Additionally, we also recommend that a policy be developed in which hourly workers hours are documented and verified prior to payroll being submitted.

Management Response: MCS has a new financial department, including Director and Clerks. Governing Council has reviewed and approved updated policies and staff has been trained in the policy. The school continues to work on making sure that all staff follows the procedures and internal controls that have been established. The Human Resource department also has new staffing and procedures have been developed on communicating payroll changes.

2014-006 Compliance with pledged collateral requirements (Significant Deficiency)

Condition: The school was unable to demonstrate that its financial institution provided any pledged collateral for the school's deposits.

Criteria: Article 10 of Chapter 6 of NMSA requires government entities to ensure that deposits of public money are properly collateralized.

Cause: The school's financial institution did not provide the school with the proper collateralization for its deposits. In addition, the school management did not properly monitor this requirement to become compliant.

Effect: The school's assets could be exposed to custodial credit risk at certain points during the year.

Recommendation: We recommend that school management monitor this requirement going forward to insure that their financial institution(s) provide the necessary amounts of collateral for their deposits.

Management Response: MCS has a new financial department. Procedures are being implemented to monitor the budget on a regular basis.

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MCCURDY CHARTER SCHOOL (Continued)

2014-007 Expenditures in excess of budgeted amounts (Non Compliance)

Condition: Expenditures exceeded the amount budgeted for the following funds:

• Operational #11000 - Support Services	\$	64,751
• Instructional Materials #14000 - Instruction	\$	131
• Athletics #22000 - Instruction	\$	170,299
• IDEA-B Entitlement #24106		
Instruction	\$	19,080
Support Services	\$	33,248
• Dual Credit Instructional Materials #27103 - Instruction	\$	1,232
• Literacy For Children at Risk #27107 - Instruction	\$	863
• Private Direct Grants #29102 - Support Services	\$	30

Criteria: Pursuant to Chapter 6, Article 3 of NMSA 1978, expenditures may not exceed budgeted amounts.

Cause: The school did not have adequate controls in place over expenditures during the year and the budget was not monitored adequately to prevent such over expenditures.

Effect: The School has put itself in a negative financial position by over expending public monies and continues to operate at a deficit.

Recommendation: We recommend that the budget process be monitored more closely on a go forward basis to prevent future non-compliance.

Management Response: MCS has a new financial department. Procedures are being implemented to monitor the budget on a regular basis.

MEDIA ARTS COLLABORATIVE CHARTER SCHOOL

2014-001 Mileage Reimbursements – (Noncompliance in accordance with the New Mexican State Audit Rule) (Other Matter)

Condition: For the year ended June 30, 2014, it was noted that the School reimbursed employees for mileage at a rate of fifty six cents per mile. Additionally, documentation for one of fifteen selected travel disbursements could not be located and amounted to \$82.80.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of

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MEDIA ARTS COLLABORATIVE CHARTER SCHOOL (Continued)

2014-001 Mileage Reimbursements – (Noncompliance in accordance with the New Mexican State Audit Rule) (Other Matter) (Continued)

official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Auditors’ Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management’s Response: The school will amend its policies to reflect mileage reimbursements at the required 80% rate. The school began paying 100% of the IRS rate after a FY2012 audit stating that the school should not be paying the 80% rate.

MISSION ACHIEVEMENT AND SUCCESS

2014-001 Purchase Order Subsequent to Invoice – Noncompliance in Accordance with the New Mexico State Auditor’s Rule (Significant Deficiency)

Condition: During our testing of sixty cash disbursements, there was one instance of \$11,189.25 in where the Purchase Order was prepared subsequent to the vendor’s invoice date.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

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MISSION ACHIEVEMENT AND SUCCESS (Continued)

2014-001 Purchase Order Subsequent to Invoice – Noncompliance in Accordance with the New Mexico State Auditor’s Rule (Significant Deficiency) (Continued)

Effect: Not being in compliance with state purchasing requirements places the Mission Achievement and Success (MAS) at risk for fraud or misuse of public funds.

Cause: MAS personnel did not follow established procurement policies of the MAS.

Recommendation: All MAS personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management Response: The school has internal control procedures established. These procedures will be emphasized with staff. Staff must receive an approved Purchase Order before they place an order with a vendor.

2014-002 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Auditor’s Rule (Other Matters)

Condition: For the year ended June 30, 2014, it was noted that the MAS reimbursed employees for mileage at a rate of fifty five cents per mile.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The MAS is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The MAS contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the MAS contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Recommendation: The MAS should reimburse mileage at 80% of the Internal Revenue Service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

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MISSION ACHIEVEMENT AND SUCCESS (Continued)

2014-002 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Auditor’s Rule (Other Matters) (Continued)

Management Response: Mission Achievement and Success Charter School disputes this finding. In March, 2010 the Finance Director at the school received a determination from the Office of the State Auditor after posing the question: “There is one question that I have regarding the mileage reimbursement rate: When a charter school is authorized by the Public Education Commission, is the school considered a state agency or a local public body?” Their answer is: “Regardless of who chartered the school, charter schools fall under the definition of local public bodies.”

The New Mexico Administrative Code, 2.42.2.11 (D) states: Local Public Bodies: Public officers and employees of local public bodies may be reimbursed for mileage accrued in the use of a private conveyance in the discharge of official duties, at the statutory rates unless such rates have been reduced by the governing bodies of the local public body pursuant to Section 10.8.5(D) NMSA 1978. That statute states, in regards to local public bodies: The governing body of any local public body may eliminate or may reduce the rates set for the per diem and mileage for all or any class of public officials and employees of the local public body at any time the local public body deems it to be in the public interest, and such reduction shall not be construed to permit payment of any other compensation, perquisite or allowance. The local public body shall exercise this power of reduction in a reasonable manner and shall attempt to achieve a standard rate for all public officers and employees of the same classification. Based on the statute and regulation noted above, the statutory rate for local public bodies is 100% of the IRS rate unless the governing body of the local public body reduces or eliminates that rate. The Governing Board of Mission Achievement and Success Charter School has not reduced or eliminated that rate. Therefore, Mission Achievement and Success Charter School is allowed to reimburse 100% of the IRS mileage rate.

MONTESSORI ELEMENTARY

2010-030 [CS 2010-30-GG] Budgetary Conditions- Repeated and Modified (Non Compliance)

Condition: The School had an expenditure function where actual expenditures exceeded budgetary authority:

Operational
Support Services \$390

Criteria: Sound financial management and 6.20.2.9 (A) NMAC and 22-8-5 through 22- 8-12.2 NMSA 1978 require that budgets not be exceeded at the legal level of control. For school districts the function is the legal level of control. Per NMAC 6.20.2.10.B, School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget

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MONTESSORI ELEMENTARY (Continued)

2010-030 [CS 2010-30-GG] Budgetary Conditions- Repeated and Modified (Non Compliance) (Continued)

decreases, transfers between functional categories, and transfers from the emergency reserve account. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

Effect: The school is out of compliance with State Law and the control established by the use of budgets has been compromised.

Cause: The School did not complete maintenance BAR's during the year to correct.

Recommendation: The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments and review of amounts being reported to PED.

Management Response: The School's Audit Committee and Management are aware of the finding and are making changes to address the issue.

2010-031 [2010-31-GG] Budget Adjustment Requests (BAR) (Non-Compliance in Accordance with the New Mexico State Audit Rule)

Condition: We noted the Montessori Elementary (ME) budgeted more cash carryover of \$142,279 than the School had available for the HB-33 Capital Improvements Fund. The Operational Fund also budgeted more cash carryover of \$18,892 than the School had available.

Criteria: In accordance with Public Education Department (PED) requirements and 6-6-6 NMSA 1978, ME is required to follow PED procedures relating to Budget Adjustment Requests. This includes ensuring that BAR's are included in final budget amounts reported to Schools PED report. Per NMAC 6.20.2.10.B, School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district's accounting system until approval is received by the department.

Effect: The school is not in compliance with State Statutes.

Cause: The budget was not being properly monitored.

Auditor's Recommendation: The School must be familiar with Public Education Department (PED) requirements and 6-6-6 NMSA 1978 and follow the requirements for the budgetary system.

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MONTESSORI ELEMENTARY (Continued)

2010-031 [2010-31-GG] Budget Adjustment Requests (BAR) (Non-Compliance in Accordance with the New Mexico State Audit Rule)

Management's Response: The School's Audit Committee and Management are aware of the finding and are making changes to address the issue.

NEW AMERICA SCHOOL

2014-001 RHC Contributions (Non-Compliance in Accordance with the New Mexico State Audit Rule)

Condition: During our internal control test work over Retiree Health Care Contributions (RHC) we noted that the RHC contribution for July 2013 in the amount of \$1,341.62 was remitted on August 12, 2013.

Criteria: Monthly contributions to the Retiree Health Care (RHC) are required to be remitted no later than the 10th of the following month, per NMSA 1978 10-7C-15.

Effect: In accordance with the Educational Retirement Act and ERB rules, penalties will be assessed to the administrative unit when contributions and/or reports are not remitted by the due date.

Cause: The deadline was inadvertently missed by the Business Manager.

Auditor's Recommendation: Ensure RHC contributions are remitted no later than the 10th of the following month.

Management's Response: Management is aware of the due date for all payroll liabilities. NMRHCA did not assess any penalties or fees on this submission. The business manager will ensure that all payroll liability deadlines are met.

2012-002 [CS 12-02-HH] Internal Control Structure (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Revised and Repeated)

Condition: During our internal control test work over a sample of 25 disbursements and 5 travel expenditures we noted the following:

- We found four instances where goods and/or services were received and invoiced prior to the creation and approval of a purchase order. The four invoices totaled \$70,047.
- We noted that the School does not have procedures in place to track per diem amounts paid to employees for work related travel.

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NEW AMERICA SCHOOL (Continued)

2012-002 [CS 12-02-HH] Internal Control Structure (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Revised and Repeated) (Continued)

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: Purchases could be made without proper approval and expenditures could be reported inaccurately to PED or misclassified in the improper fund, which could lead to funds being overspent and balances misstated. State travel and per diem laws could be violated. Funds requested for reimbursement could be disallowed and funding could be lost.

Cause: The School did not follow internal purchasing policies and procedures. Additionally, the School does not have policies and procedures for tracking per diem amounts paid to employees.

Auditor's Recommendation: Ensure purchase orders are created prior to receiving goods and services. Implement procedures to ensure that amounts paid to employees for per diem are adequately tracked.

Management's Response: The school does have policies and procedures in place and will be reviewing these with the appropriate personnel. They will be reviewed and adjusted if necessary.

A State authorized P-Card system was adopted by our Governance Council in the spring of 2015 and implemented which requires that the purchase order is in place before its use. This should prevent the purchase of goods and services from being done prior to the purchase order. All authorized users will receive refresher training on the policies and procedures with acknowledgement (to be placed in their H.R. file) by each that they have received the refresher training and that they understand their responsibility and that the consequence of violating the policy will be removal of the P-Card privilege.

Purchase orders will be created for per diem travel allowance prior to departure for each authorized school traveler. Purchase orders will be closed at the end of authorized travel.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW AMERICA SCHOOL- LAS CRUCES

2014-001 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: For the year ended June 30, 2014, it was noted that the School reimbursed employees for mileage at a rate of fifty five cents per mile.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The School contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Auditors’ Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management’s Response: The school is aware of the mileage rate as set forth by the DFA at 80% of the IRS rate for the previous year. However, the determination was made at one point in time that charter schools do not fall under the same designation that would limit them to the same rate allowable as the DFA. Furthermore, across 3 different auditors over the past 6 years different determinations have been made concerning the amount that a charter school should/is allowed to pay for mileage reimbursement. Management will discuss with the school’s finance and audit committees in order to determine what to present to the governing council in full concerning school policy for mileage reimbursement going forward.

2014-002 Timely Deposits -Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter)

Condition: During our cash receipts testing, we noted that deposits were not being made with twenty-four (24) hours after being received

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW AMERICA SCHOOL- LAS CRUCES (Continued)

2014-002 Timely Deposits -Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matter) (Continued)

Criteria: Per NMAC 6.20.2.14.B states that “money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.”

Effect: The School is not in compliance with State statute and has exposed itself to possible misappropriation of funds.

Cause: There is a lack of adequate controls over cash and cash receipts.

Auditors’ Recommendation: The School should implement policies and procedures that track and maintain all items relating to cash receipts and ensure deposits are made timely.

Management’s Response: Management is well aware of the 24 hour deposit rule and policies and procedures are in place to ensure that the school adheres to this requirement. Policies and procedures were reviewed with the appropriate personnel and the 24 hour rule has been followed for the entire current fiscal year (FY15) to date. Furthermore, the school was alerted to another charter school’s practice of weekly deposits as it was granted authority to do so by the NMPED under certain circumstances. Management will discuss this possibility with the finance and audit committees to see if this is something the school would like to look into putting into practice if the NMPED is willing to grant the authority to do so.

NEW MEXICO CONNECTIONS ACADEMY

2014-001 - Pledged Collateral Requirements - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During test work, we noted that New Mexico Connections Academy was under collateralized by \$139,914 at June 30, 2014.

Criteria: Per NMSA 6-10-17, any bank or savings and loan association designated as a depository of public money shall deliver securities to a custodial bank and shall then 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 deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received.

Effect: New Mexico Connections Academy is not in compliance with Section 6-10-17 NMSA 1978.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO CONNECTIONS ACADEMY (Continued)

2014-001 - Pledged Collateral Requirements - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Cause: The New Mexico Connections Academy was not monitoring the account balances of the New Mexico Connections Academy to ensure that proper amount of pledged collateral was being maintained.

Recommendation: It is recommended that the New Mexico Connections Academy monitor cash balances to ensure that they are meeting all requirements of the State Auditor.

Management Response: A pledged collateral agreement was established as of July 2014 in compliance with state statute.

2014-002 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: For the year ended June 30, 2014, it was noted that the New Mexico Connections Academy reimbursed employees for mileage at a rate of fifty six cents per mile.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The New Mexico Connections Academy is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The New Mexico Connections Academy contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the New Mexico Connections Academy contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Recommendation: The New Mexico Connections Academy should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management Response: The rate reimbursed is the rate previously required by the PED and previous auditors. The PED had previously sent out a memo which stated charter schools are “Other Public

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO CONNECTIONS ACADEMY (Continued)

2014-002 Mileage Reimbursements – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Bodies” as defined in state statute. As an “Other Public Body” the reimbursement rate can equal 100% of IRS rate. The school chose to reimburse at this rate. This change would move charter schools to be classified as “State Agencies”. The PED allowed the 100% rate for the first part of FY14 changing the interpretation at the end of FY14. We provided the PED with the earlier released memo at that time.

It should be noted that the prior auditors of the state charter schools issued a finding for schools that did not pay as an “Other Public Body” and instead paid as a State Agency at the 80% rate. The school will continue to comply with direction issued by the PED.

2014-003 Dual Signatures on Checks – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: In a sample of 60 expenditures there were six instances (\$134,420.82, \$130,922.51, \$41,708.74, \$8,342.30, \$3,333.33, and \$3,333.33) in which checks were only signed by one authorized signer, and one instance (\$355.31) in which a check cleared the bank without any signature at all.

Criteria: NMAC 2.42.6.20.2.11 requires that schools establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguards against loss from unauthorized use. “The internal control structure shall include written administrative controls (rules, procedures, practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.” New Mexico Connections Academy has established an internal control policy that requires all checks of two thousand five hundred or more be signed by two authorized check signers.

Effect: The New Mexico Connections Academy violated its own internal policy in regards to check signing.

Cause: A second authorized check signer was not available when the checks were being processed.

Recommendation: The New Mexico Connections Academy should follow its own internal policy of having two authorized signers sign all checks of two thousand five hundred or more dollars.

Management Response: The school will authorize two signors at the school site to make sure no checks over \$2,500 are mailed out without dual signatures. A review of the signed checks should ensure this error does not occur again.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO CONNECTIONS ACADEMY (Continued)

2014-004 Purchase Order Subsequent to Invoice – Noncompliance in Accordance with the New Mexico State Audit Rule - (Significant Deficiency)

Condition: During our testing of sixty cash disbursements, there were seven instance (\$41,708.74, \$35,625.00, \$11,100, \$962.43, \$450.75, \$140.00, \$10.00) in which the Purchase Order was prepared subsequent to the vendor's invoice date.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Not being in compliance with state purchasing requirements places the New Mexico Connections Academy at risk for fraud or misuse of public funds.

Cause: New Mexico Connections Academy personnel did not follow established procurement policies of the School.

Recommendation: All New Mexico Connections Academy personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management Response: School procedures will be emphasized to staff to ensure compliance with school policies and procedures as well as state laws and regulations.

2014-005 Timely Deposits – Noncompliance in Accordance with the New Mexico State Audit Rule – (Other Matters)

Condition: For four of four miscellaneous cash receipts tested, it could not be determined if the items were deposited timely. The amounts tested were \$625.00, \$394.32, \$250.00, and \$21.14.

Criteria: NMAC 6.20.2 states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Effect: The New Mexico Connections Academy was not in compliance with State Statute. Additionally the New Mexico Connections Academy has exposed itself to possible misappropriation of assets.

Cause: The New Mexico Connections Academy was in its first year of existence. New Mexico Connections Academy personnel were not yet familiar with all New Mexico State Statutes.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

NEW MEXICO CONNECTIONS ACADEMY (Continued)

2014-005 Timely Deposits – Noncompliance in Accordance with the New Mexico State Audit Rule – (Other Matters)

Recommendation: We recommend that the New Mexico Connections Academy create a procedure to ensure that all funds are properly receipted and deposited within one banking day.

Management Response: The school will review its cash receipting procedures to ensure timely deposit of funds.

2014-006 Budgetary Conditions – Noncompliance in Accordance with the New Mexico State Audit Rule - (Other Matters)

Condition: The New Mexico Connections Academy has expenditure functions where actual expenditures exceeded budgetary authority for the following fund:

Entitlement IDEA-B - 24106	
Instruction	\$ (8,935)

Criteria: Per NMAC 6.20.2.9(A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

Effect: The New Mexico Connections Academy is out of compliance with New Mexico state statute and the control established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of operating funds to cover the over-expenditures.

Cause: Actual expenditures were not being adequately monitored by management.

Recommendation: We recommend the New Mexico Connections Academy establish a policy of budgetary review by the governing council or finance committee at the end of each quarter and have the governing council approve the necessary budgetary adjustments to ensure funds are not over expended.

Management Response: School budget procedures will be reviewed to ensure all budgets are in compliance with state budget requirements.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO INTERNATIONAL SCHOOL

2014-001 Account Reconciliations – Significant Deficiency

Condition: During testwork over capital assets we noted the following issues:

- The New Mexico International School (NMIS) did not identify a capital asset in the amount of \$14,760 and was discovered by the auditors when performing procedures to identify unrecorded capital assets. This capital asset was recorded to the expense account “Other Contract Services.”
- We noted a capital asset addition in the amount of \$10,433 that was coded to the expense account “Supply Assets (\$5,000 or less)” that should have been recorded to the “Fixed Assets (more than \$5,000) expense account.

We also noted the student activity fund utilizes a Paypal account in its fundraising efforts. However, the balance of the Paypal account is not included on the School’s general ledger and an audit adjustment in the amount of \$2,534 was needed to record the balance of the account at year-end.

Criteria: Per NMAC 6.20.2.11 (A) Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

Effect: The risk exists that the school understates its assets and/or does not properly account for them which increases the likelihood that assets could be misappropriated.

Cause: The NMIS capital asset additions were not coded to the correct expenditure account and because the student activity Paypal account is not included on the general ledger it is not subject to the same level of control that other student activity funds are.

Auditors’ Recommendation: Ensure items meeting the school’s capital asset threshold are coded correctly and included as capital asset additions on schedules used to prepare the year-end audited financial statements. The student activity fund Paypal account should be recorded on the general ledger, reconciled monthly, and independently reviewed on a periodic basis.

Management’s Response: The school had a contracted business manager at the time who was responsible for the recording of assets. Business management is now being handled internally which will allow for better tracking of the various types of purchases. The school will review the capitalization requirements and implement procedures to ensure the financial records are properly stated. Paypal withdrawals will be reconciled monthly with the bank reconciliation and presented as part of the monthly financials presented to the finance committee and governing council.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

NEW MEXICO INTERNATIONAL SCHOOL (Continued)

2014-002 Excess of Expenditures over Budget (Non Compliance)

Condition: Actual expenditures exceeded budgeted expenditures at the total fund level for the following fund:

11000 Operational	\$86,103
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Additionally, several expenditure line items exceeded the final approved budget amount.

Criteria: 6-6-6 NMSA 1978 requires that the NMIS keep expenditures within the budgeted amounts. NMAC 2.2.2.10 P(1) requires a finding when actual expenditures exceed budgeted expenditures.

Effect: The NMIS expenditures in the above fund exceeded the total approved budgeted expenditures by \$86,103.

Cause: Budgetary controls were not in place to adequately monitor and regularly compare budget to actual results. As a result, measures were not taken to avoid or minimize the amount that actual expenditures exceeded the approved budget for the School's operational fund.

Auditors' Recommendation: Budget adjustment requests should be presented to and approved by PED before expending funds in excess of budget. Controls should be implemented to ensure that budgeted amounts are compared to actual on a regular basis and the budget effectively utilized for controlling expenses and managing cash flow.

Management's Response: The deficit occurred because the school did not meet the projected count on the 40th day count date. Eight students dis-enrolled on the first day of school, all from a grade level where there was no waitlist. Although there were students on waitlists for other grade levels, language in the school's charter prohibited exceeding certain class sizes in those grade levels. Thus, the students were not replaced by the 40th day count.

Additionally, due to the same charter language regarding class sizes, a reduction in force to reduce personnel costs due to the short fall in revenue was not possible. Eliminating of one of the two teachers in the impacted grade level, and putting all of the students into one class, would have resulted in class size that were prohibited under charter restrictions. Thus, the school was stuck maintaining those personnel expenditures.

The business manager assured the school that funds would be made available from other budget lines. But due to incomplete budget analysis and improper advisement of necessary expenditure reductions by the contracted business manager, a year-end deficit occurred.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO INTERNATIONAL SCHOOL (Continued)

2014-002 Excess of Expenditures over Budget (Non Compliance)

The following changes have been implemented to prevent recurrence of this issue: The finance committee and governing council worked on this issue and submitted amendments to the Public Education Commission (PEC), its authorizer, relieving the impact the current charter restrictions had on student enrollment. Business management is now handled with internal staff. Budget lines are budgeted with input from NMIS staff and prior year expenditures to ensure sufficient monies are allocated to budget lines as accurately as possible. Budget is examined closely at least monthly. Written financial reports are sent from the business manager to and reviewed by NMIS finance committee. Reports are reviewed in detail with the business manager and head administrator at finance committee meetings and summarized again at governing council meetings with commentaries from finance committee members who are also on the governing council. When budget adjustment requests are required, lines being reduced are verified to ensure monies remaining are sufficient as known at that time.

2014-003 Disposition of Equipment (Non-Compliance)

Condition: During testwork over the disposition of equipment we noted the following instances of noncompliance with the New Mexico State Audit Rule:

- In August 2013 the NMIS sold playground equipment with an original cost of \$19,364 to another charter school. The sale was approved by the NMIS Governing Council, however, the New Mexico Office of the State Auditor (State Auditor) was not notified of the asset sale as required.
- During the year we noted that a computer was disposed of and was given to a recycling center for disposal. School management informed us that the computer's hard drive was not wiped and that the State Auditor was not notified of this disposal.

Criteria: Per subsection A of Section 13-6-1, NMSA 1978, such disposals are required to be communicated to the State Auditor at least 30 days prior to the actual disposal. Additionally, New Mexico Administrative Code 2.2.2.10 T(2) & (3) requires that in the event of a computer disposal it must be sanitized or effectively make inaccessible all licensed software and any electronic media pertaining to the organization. A certification that the hard drive has been erased or destroyed must be provided to the State Auditor.

Effect: The NMIS is not in compliance with the requirements of Subsection A of Section 13-6-1, NMSA 1978, or NMAC 2.2.2.10 T(2) & (3) related to equipment dispositions.

Cause: Controls were not in place to ensure compliance with the above referenced compliance requirements.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO INTERNATIONAL SCHOOL (Continued)

2014-003 Disposition of Equipment (Non-Compliance) (Continued)

Auditors' Recommendation: Implement internal controls that will ensure compliance with Subsection A of Section 13-6-1, NMSA 1978, and New Mexico Administrative Code 2.2.2.10 T(2) & (3). This should include designating an appropriate individual at the NMIS that is tasked with controlling all asset dispositions.

Management's Response: The school sold the playground equipment to another charter school. The New Mexico Public Education Department Charter School Office was informed of the proposed sale prior to the sale. The school was not aware of and the business manager did not advise the school of the requirement to inform the State Auditor of the equipment disposition.

The school was not aware of the requirement to wipe drives clean on computers to be disposed of. With business management being now handled by internal staff, procedures to be written will include a computer disposition procedure to be implemented for disposal of school computers.

2014-004 Personnel Files and Benefit Deductions (Non-Compliance)

Condition: During internal control testwork over a sample of 25 payroll transactions we noted the following:

- We noted one instance of an incomplete Form I-9 as it was not signed by a representative at the NMIS attesting to its review and verification.
- We noted one instance where an employee contract was not signed by the school director. For this same employee we noted that health benefits were being deducted at the rate for employees earning less than \$20,000, however, this employee's salary exceeded \$20,000.
- We noted one other instance where health benefits were being deducted at the rate for employees earning less than \$20,000 but that this particular employee's salary well exceeded \$20,000.

Criteria: NMAC 6.20.2.18 requires various employee records and documentation to be maintained and available for inspection, including personnel/payroll action forms and employment eligibility verification forms and the New Mexico Public Schools Insurance Authority provide the NMIS with the amount to be deducted from employee compensation to pay for health insurance coverage and calculated based on the provider and coverage selected and the employee's salary.

Effect: The NMIS is not in compliance with NMAC 6.20.2.18 with respect to Form I-9 and because health insurance deduction rates were not accurate the School may be paying more or less than it is required to.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO INTERNATIONAL SCHOOL (Continued)

2014-004 Personnel Files and Benefit Deductions (Non-Compliance) (Continued)

Cause: NMIS did not ensure a properly completed Form I-9 was on file for all employees and a process is not in place that would provide for periodic reviews of employee deduction amounts to ensure they are correct.

Auditors' Recommendation: Personnel files and employee benefit deduction amounts should be periodically reviewed to ensure all required personnel file documents have been obtained, are complete and accurate, and that amounts being deducted for benefits are accurate.

Management's Response: The contracted business manager was responsible for completion of human resource paperwork and input of deductions in financial management system. The employee benefits paid to these employees changed positions from those earning less than \$20,000 to earning more than \$20,000. With business management now being handled by internal staff, the school will implement procedures to ensure that benefit rates are adjusted as employee positions and rates are adjusted and all personnel files are reviewed for signatures and completeness.

2014-005 Cash Deposits (Non-Compliance)

Condition: During testwork over cash receipts we noted one deposit totaling \$2,735 made up of several checks and cash collected during the months of August and October 2013. These funds were deposited on October 25, 2013.

Criteria: NMAC 6.20.2.14.C requires that money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan.

Effect: NMIS is not in compliance with the cash deposits compliance requirements as stated at NMAC 6.20.2.14.C.

Cause: Procedures were not in place to ensure timely deposit of cash receipts in accordance with NMAC 6.20.2.14.C.

Auditors' Recommendation: Ensure deposits are made in accordance with NMAC 6.20.2.14.C.

Management's Response: The school moved campus over the summer of 2013. During this relocation, there were many instances of mail not being properly forward. This resulted in delay of receipt of several items. Thus, there were checks that were received in October 2013 that had, in fact, been written well before this date. The items in fact, were held up in the postal forwarding process.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO INTERNATIONAL SCHOOL (Continued)

2014-005 Cash Deposits (Non-Compliance) (Continued)

Procedures will be implemented to ensure deposits are made in accordance with the regulations. Additionally, an alternative plan will be sought per NMAC 6.20.14.C for approval to allow for small amounts to not have to be deposited within twenty-four hours.

NEW MEXICO SCHOOL FOR THE ARTS

2014-001 Procurement Code – (Noncompliance in accordance with the New Mexico State Audit Rule)

Condition: The school did not follow proper procurement procedures when obtaining a vendor for a soundproof room for the school. The total amount paid to the vendor was \$22,169. The school instead used a vendor that they were familiar with based on past experience.

Criteria: Per NMAC 1.4.1.51 STATE PROCUREMENT: A. Quotation to be obtained. Insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding twenty thousand dollars (\$20,000) but not exceeding sixty thousand dollars (\$60,000), and in accordance with any procedures or processes set forth by the state purchasing agent, no fewer than three businesses shall be solicited via written requests containing the specifications for the procurement to submit written quotations that are recorded and placed in the procurement file.

Effect: The School could be overpaying for services and/or goods.

Cause: Lack of proper internal controls to ensure the School follows procurement guidelines when obtaining a vendor for small purchases.

Auditors' Recommendation: For small purchases of nonprofessional services, construction or items of tangible personal property between \$20,000 and \$60,000, the school should solicit no fewer than three businesses via written requests containing the specifications for the procurement.

Management's Response: The school changed its accounting software's configuration to give a prompt before entering a purchase order for purchases that exceed \$20,000 to make sure that 3 written quotes were obtained prior to encumbering funds. In addition, the school's Chief Procurement Officer recently completed a certification course and passed his/her exam so that the school has an employee charged with ensuring the school follows procurement law correctly in the future.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO SCHOOL FOR THE ARTS (Continued)

2014-002 Internal Control Structure- Noncompliance in accordance with the New Mexico State Audit Rule

Condition: We noted an instance where the services paid for exceeded the amount of the approved purchase order. The approved purchase order amount was for \$2,881.53 in December 2013. When the goods were purchased in April 2014 the amount paid was for \$2,938.59

Criteria: NMAC 6.20.2.11 (A) Internal Control Structure Standards, "Every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Effect: The amounts reported to PED could be inaccurate and actual available funds may be improperly recorded, which could lead to funds being overspent and balances misstated.

Cause: Process and procedures in place were not followed in their completeness.

Auditors' Recommendation: We recommend the school follow their internal controls over purchasing procedures to ensure that all approved expenditure amounts equal the approved purchase order amount before payment is made for services.

Management's Response: The purchase order and invoice mentioned here were for student assessment tests. The purchase order, issued in December, was for the number of students that the school counted on taking the test. By the time the tests were administered and billed in April, there were an extra 2 students that took the assessment test. The school required all employees to sign an agreement to understanding its purchasing policy and procedures at hire, and reminders are announced periodically during staff meetings throughout the year. The school, in this instance, decided to pay \$57.06 more than the purchasing order amount for the two extra tests administered. In the future, should this occur again, overage will not be paid if the Business Office is not notified of changes in the original order as soon as they are known. The school will also review its current purchase policy agreement to make sure this language is specifically included.

2014-003 Travel and Per Diem – Noncompliance in accordance with the New Mexico State Audit Rule

Condition: The school is reimbursing employees at 100% of the federal rate from the prior year for travel in the use of a private vehicle for school related activities.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NEW MEXICO SCHOOL FOR THE ARTS (Continued)

2014-003 Travel and Per Diem – Noncompliance in accordance with the New Mexico State Audit Rule

Criteria: Per NMAC 2.42.2.11 mileage should be paid out for use in a private vehicle at 80% of the Internal Revenue Service (IRS) standard rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Effect: The School is not in compliance with New Mexico state statute and is overpaying employees for travel on behalf of the School.

Cause: The school is not following their internal controls which requires mileage to be reimbursed at a rate of 80% of the IRS rate in effect January 1 of the prior year.”

Auditor’s Recommendation: The School should follow the Travel and Per Diem and Mileage Act for local governments when paying our mileage reimbursement amounts.

Management’s Response: The form used for employees to submit their mileage reimbursement requests has been changed to include the language “January [prior year] IRS mileage reimbursement rate [IRS rate] * 80% = [reimbursement rate]. Previously, only the rate amount was published on the form. The error occurred when the fiscal year started and the rate of reimbursement was not calculated at 80%. It is the school’s intention to prevent this from reoccurring by including the method with which the rate is calculated on the reimbursement form itself so that when request are submitted, the Business Office is reminded and can verify that the rate of reimbursement is correct before payment to the employee is made.

NORTH VALLEY ACADEMY

2014-001 Dual Signatures on Checks – (Other Matter)

Condition: In a sample of sixty expenditures there were two instances (\$3,176.83 and \$16,486.80) in where the checks were only signed by one authorized signer, when they should have been signed by two authorized signers.

Criteria: NMAC 2.42.6.20.2.11 requires that schools establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguards against loss from unauthorized use. “The internal control structure shall include written administrative controls (rules, procedures, practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.” North Valley Academy has established an internal control policy that requires all checks of two hundred and fifty dollars or more be signed by two authorized check signers.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NORTH VALLEY ACADEMY (Continued)

2014-001 Dual Signatures on Checks – (Other Matter) (Continued)

Effect: The North Valley Academy violated its own internal policy in regards to check signing.

Cause: A second signature was not obtained prior to mailing out one batch of Accounts Payable checks. The Business Office was aware of the error, but was not able to recover the checks before they were mailed out.

Recommendation: The School should follow its own internal policy of having two authorized signers sign all checks of two hundred and fifty or more dollars.

Management Response: The Business Manager is aware of this instance in which checks were mailed with one signature. A second review has been added to the process to verify that checks have two signatures prior to being mailed out.

2014-002 Mileage Reimbursements – (Non Compliance)

Condition: In a sample of three travel reimbursements tested, there were two instances where employees were reimbursed for mileage at a rate above those that are established by the State of New Mexico Per Diem and Mileage Act. One employee was reimbursed fifty one cents per mile, while the other employee was reimbursed fifty six cents per mile. It is estimated that the employees were over reimbursed by twenty-four and twenty nine dollars, respectively.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The North Valley Academy is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The North Valley Academy contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a state agency.

Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

NORTH VALLEY ACADEMY (Continued)

2014-002 Mileage Reimbursements – (Non Compliance)

Management Response: North Valley Academy does not agree with PED's classification of state authorized charters as a state agency. Statutory support has been provided to the auditors to support North Valley Academy's assertion that a charter school is a local public body, which enables the school to pay up to the prior year IRS mileage rate. The school requests that a formal inquiry be submitted to the Office of the State Auditor to determine the appropriate course of action.

2014-003 Pledged Collateral – (Non Compliance)

Condition: During test work, we noted the School was under collateralized by \$35,908 at June 30, 2014.

Criteria: Per NMSA 6-10-17, Any bank or savings and loan association designated as a depository of public money shall deliver securities to a custodial bank and shall then 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 deposit. The securities delivered shall have an aggregate value equal to one-half the amount of public money to be received.

Effect: The School is not in compliance with New Mexico State Statutes in regards to pledged collateral.

Cause: The School was not monitoring the account balances of the School to ensure that the proper amount of pledged collateral was being maintained.

Recommendation: We recommend the School monitor their cash balances to ensure they are meeting the State of New Mexico requirements pertaining to pledged collateral.

Management Response: The school had an unusually high cash balance in the bank for the month ended June 30, 2014. During the pledged collateral reconciliation at month-end, the Business Manager did identify that pledged collateral was not sufficient and contacted the bank to request an increase.

RALPH J BUNCHE ACADEMY

2014-001 Dual Signatures on Checks – Noncompliance with the New Mexico State Auditor's Rule (Other Matter)

Condition: In a sample of sixty expenditures there was one instance of \$1,112.80 where the check was only signed by one authorized signer, when they should have been signed by two authorized signers.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

RALPH J BUNCHE ACADEMY (Continued)

2014-001 Dual Signatures on Checks – Noncompliance with the New Mexico State Auditor’s Rule (Other Matter) (Continued)

Criteria: NMAC 2.42.6.20.2.11 requires that schools establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguards against loss from unauthorized use. “The internal control structure shall include written administrative controls (rules, procedures, practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP.” The School has established an internal control policy that requires all checks of one thousand dollars or more be signed by two authorized check signers.

Effect: The School violated its own internal policy in regards to check signing.

Cause: A second authorized check signer was not available when the checks were being processed for mailing to the vendors.

Auditors’ Recommendation: The School should follow its own internal policy of having two authorized signers sign all checks of one thousand or more dollars.

Management’s Response: Management had policy and procedure in place in order to ensure that each check exceeding \$999.99 would have 2 signers. No action will be taken as the school closed effective July 1, 2014.

2014-002 Mileage Reimbursements – Noncompliance with the New Mexico State Auditor’s Rule (Other Matter)

Condition: For the year ended June 30, 2014, it was noted that the School reimbursed employees for mileage at a rate of fifty six cents per mile.

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The School is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

RALPH J BUNCHE ACADEMY (Continued)

2014-002 Mileage Reimbursements – Noncompliance with the New Mexico State Auditor’s Rule (Other Matter)

Cause: The School contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Auditors’ Recommendation: The School should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management’s Response: The school was aware of the mileage rate as set forth by the DFA at 80% of the IRS rate for the previous year. However, the determination was made at one point in time that charter schools do not fall under the same designation that would limit them to the same rate allowable as the DFA. Furthermore, across 3 different auditors over the past 6 years different determinations have been made concerning the amount that a charter school should/is allowed to pay for mileage reimbursement. No action will be taken as the school closed effective July 1, 2014.

2014-003 Personnel Files – Noncompliance with the New Mexico State Auditor’s Rule (Other Matter)

Condition: Nine employees were selected for payroll testing. The following items were noted:

- One employee’s personnel file could not be located at all.
- Six personnel files did not contain evidence that a background check had been performed.
- The certifications for one teacher were not present in their personnel file.

Criteria: NMAC 6.20.2.18 requires that schools maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (Federal Form I-9), federal and state withholding certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: The School is not in compliance with New Mexico State Statutes in regards to employee record documentation.

Cause: The School is closed as of June 30, 2014. Some school records were taken to the New Mexico Department of Education for archival purposes. Some records were taken to a business specializing in the business management of charter schools for purposes of a final audit. It appears that School officials did not successfully transfer all records pertaining to personnel.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

RALPH J BUNCHE ACADEMY (Continued)

2014-003 Personnel Files – Noncompliance with the New Mexico State Auditor’s Rule (Other Matter)

Auditors’ Recommendation: The School should review all personnel files to ensure that required documentation required by NMAC 6.20.2.18 is available.

Management’s Response: It is the opinion of the business manager that any items that did not have supporting documentation were lost in the transition of school files during the closing of the school by the PED. No action will be taken as the school closed effective July 1, 2014.

2014-004 Budget Adjustment Requests (BAR)- Noncompliance with the New Mexico State Auditor’s Rule (Other Matter)

Condition: We noted the School budgeted more cash carryover of \$5,190 than the School had available for the Operational Fund.

Criteria: In accordance with Public Education Department (PED) requirements and 6- 6-6 NMSA 1978, the School is required to follow PED procedures relating to Budget Adjustment Requests. This includes ensuring that BAR’s are included in final budget amounts reported to Schools PED report. Per NMAC 6.20.2.10.B, School districts shall submit budget adjustment requests for the operating budget to the department for budget increases, budget decreases, transfers between functional categories, and transfers from the emergency reserve account. Expenditures shall not be made by the school district until budget authority has been established and approval received from the department. Budget adjustments shall not be incorporated into the school district’s accounting system until approval is received by the department.

Effect: The school is not in compliance with State Statutes.

Cause: The budget was not being properly monitored.

Auditors’ Recommendation: The School must be familiar with Public Education Department (PED) requirements and 6-6-6 NMSA 1978 and follow the requirements for the budgetary system.

Management’s Response: Management and the business manager were aware of this issue upon receipt of the draft financials for FY13, the time at which the NMPED would allow the school to create a BAR to adjust the cash carryover to match the audited financials. However, the school was in a place in which other issues were at higher demand and eventually it became unnecessary to adjust a budget as the school’s closure was evident. No action will be taken as the school closed effective July 1, 2014.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

RALPH J BUNCHE ACADEMY (Continued)

2009-164 [CS 2009-164-RR] Internal Control Structure – (Material Weakness)

Condition: During our test-work of sixty cash disbursements the following items were noted:

- There was one disbursement in the amount of \$1,391.00, where the School could not provide any supporting documentation.
- There were two cash disbursements (\$257.64 and \$1,027.08) where a Purchase Order was not prepared.
- There were ten cash disbursements where the Purchase Order was prepared subsequent to the vendor's invoice date. The cash disbursements were as follows: \$2,700.00, \$570.88, \$522.75, \$350.00, \$343.50, \$257.64, \$200.00, \$71.93, \$63.92, and \$50.00.

Criteria: Section NMAC 6.20.2.17 (A), requires that each school shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. An internal control structure over purchasing shall be established and maintained to assure compliance with school policy, and state and federal regulations. Also, the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, states that “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.”

Effect: Not being in compliance with state purchasing requirements places the School at risk for fraud or misuse of public funds.

Cause: School personnel did not follow established procurement policies of the School.

Auditors' Recommendation: All School personnel should be reminded that initiation of a purchase order is not sufficient for ordering; that an approved Purchase Order is required per School and State guidelines.

Management's Response: It is the opinion of the business manager that any items that did not have supporting documentation were lost in the transition of school files during the closing of the school by the PED. Concerning the instances where the invoice preceded the PO or the PO was not created at all, it was in school policy and procedure to follow all procurement guidelines from the state and the PED. No action will be taken as the school closed effective July 1, 2014.

**STATE OF NEW MEXICO
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Year Ended June 30, 2014**

RED RIVER VALLEY CHARTER SCHOOL

2014-001 Personnel Files and Benefits Documentation – (Non Compliance)

Condition: During our internal control testwork over a sample of 25 payroll transactions we noted the following:

- One substitute teacher did not have a current license from the Public Education Department (PED). The license on file was expired and had not been renewed.
- We noted one employee who had enrolled and was receiving dental coverage. However, the dental deductions in the amount of \$4.78/mo. were not reflected in the employee's payroll.

Criteria: NMAC 6.63.10.8 requires any person seeking to perform services as a substitute teacher must hold a certificate authorizing that person to perform the duties of a substitute teacher. NMAC 6.20.2.18 requires various employee records and documentation to be maintained and available for inspection, including personnel/payroll action forms and employment eligibility verification forms. The New Mexico Public Schools Insurance Authority provides the Red River Valley Charter School (RRVCS) with the amount to be deducted from employee compensation to pay for dental insurance coverage, calculated based on the provider, coverage selected and the employee's salary.

Effect: The RRVCS is not in compliance with 6.63.10.8 and an employee is receiving dental coverage without paying for it.

Cause: Internal controls are not in place to ensure employee deduction amounts are correct. Controls are not in place to ensure substitute teacher certificates are current.

Auditors' Recommendation: Personnel files and employee benefit deduction amounts should be periodically reviewed to ensure all required personnel file documents have been obtained, are current and accurate, and that amounts being deducted for benefits are accurate. RRVCS personnel should ensure the Business Manager is made aware of changes in employee deductions.

Management's Response: Personnel files will be reviewed periodically to ensure all required personnel file documents and licenses have been obtained from teachers and substitutes. In addition, RRVCS's business manager will work with the school office manager to review employee payroll deductions, on a quarterly basis, for consistency with monthly NMPSIA invoices and, if required, make any necessary changes or corrections.

2014-002 Transportation Funds - (Non Compliance)

Condition: Fifty-percent (50%) of the total remaining balance of unspent transportation funds must be forwarded to the Public Education Department (PED) and is due to PED by November 15 of each year. As of June 30, 2013, the RRVCS had a liability of \$45,011 for 50% of unspent transportation funds related to fiscal years 2013 and 2012. On November 23, 2013, the School paid \$39,073 of this liability to PED. The remaining balance of \$5,938, which relates to fiscal year 2012, has not been paid to PED.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014

RED RIVER VALLEY CHARTER SCHOOL (Continued)

2014-002 Transportation Funds - (Non Compliance) (Continued)

Criteria: NMAC 6.43.3.9, *Requirements for School Districts*, states that school districts shall use their remaining balance as follows:

- At least 25% of their total remaining balance shall be used for to and from transportation related services excluding salaries and benefits.
- Up to 25% of the total remaining balance may be used for other transportation related services excluding salaries and benefits.
- The school district may use 50% of the total remaining balance for to and from related services excluding salaries and benefits.

Fifty percent of the total remaining balance can be utilized at the local level and 50% of the total remaining balance must be forwarded to PED. After the annual audit by a district's Independent Public Accountant, this excess amount, if applicable, is due to PED by November 15.

Effect: The RRVCS is not in compliance with NMAC 6.43.3.9.

Cause: Internal controls were not in place to ensure the 50% of unspent transportation funds were paid by November 15 as required.

Auditors' Recommendation: Develop and implement policies and procedures that will ensure, when applicable, that the required 50% of unspent transportation funds are paid to PED no later than November 15 each year.

Management's Response: RRVCS's business manager has implemented a process for reviewing transportation balances at year-end to ensure, when applicable, that the required 50% of unspent transportation funds are paid to PED no later than November 15 each year.

SAGE MONTESSORI CHARTER SCHOOL

2014-001 Cash Receipts - Noncompliance in Accordance with the New Mexico State Audit Rule (Significant Deficiency)

Condition: During our internal control testwork over a sample of 11 cash receipts we noted five receipts totaling \$7,924 where supporting documentation for bank deposits could not be located. We were unable to determine if these receipts were accurately recorded, reconciled, and deposited within 24 hours.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

SAGE MONTESSORI CHARTER SCHOOL (Continued)

2014-001 Cash Receipts - Noncompliance in Accordance with the New Mexico State Audit Rule (Significant Deficiency) (Continued)

Criteria: NMAC 6.20.2.11 Internal Control Structure Standards, requires every school district to maintain an internal control structure that will provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. Also, NMAC 6.20.2 states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Effect: The Sage Montessori Charter School (SMCS) is not in compliance with NMAC 6.20.2.11 and we could not determine if the SMCS was in compliance with NMAC 6.20.2.

Cause: The SMCS transitioned to a new location during the year and, according to SMCS personnel, were unable to locate certain documents that occurred during the first six months of fiscal year 2014.

Auditor's Recommendation: Ensure source documentation related to all cash receipts is maintained.

Management's Response: The School will emphasize that the internal control procedures are followed ensuring that all money being received is being recorded correctly and deposited within 24 hours.

2014-002 Personnel Files - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During our internal control testwork over a sample of 25 payroll transactions we noted one instance where an employee's original and signed employment contract was not available for our review.

Criteria: NMAC 6.20.2.18 requires various employee records and documentation to be maintained and available for inspection, including personnel/payroll action forms.

Effect: The SMCS is not in compliance with NMAC 6.20.2.18 with respect to maintaining employee records and documentation.

Cause: Internal controls were not in place to ensure employee contracts were maintained for all employees.

Auditor's Recommendation: Personnel files should be periodically reviewed to ensure all required personnel file documents have been obtained and are complete and accurate.

Management's Response: A review of procedures over employee files will be completed to confirm that each employee's file is complete.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014**

SAGE MONTESSORI CHARTER SCHOOL (Continued)

2014-003 Internal Control Structure - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During our internal control testwork over a sample of 25 cash disbursements we found two instances where goods/services were received and invoiced prior to the creation and approval of a purchase order. The dollar amount for the two invoices totaled \$10,624.

Criteria: NMAC 6.20.2.11 Internal Control Structure Standards, requires every school district to maintain an internal control structure that will provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Effect: Purchases could be made without proper approval and expenditures could be reported inaccurately to PED or misclassified in the improper fund, which could lead to funds being overspent and balances misstated. Funds requested for reimbursement could be disallowed and funding could be lost.

Cause: The SMCS did not follow their purchasing policies and procedures.

Auditor's Recommendation: The SMCS should follow their policies and procedures and ensure purchase orders are created and approved prior to receiving goods and services.

Management's Response: The School has internal control procedures established. These procedures will be emphasized with staff. We are also working with Harris to change the renewal date for the financial system contract.

SCHOOL OF DREAMS ACADEMY

2014-001 Per Diem and Mileage Act (Other Matter)

Condition: Through testing procedures performed, we identified the following instance of noncompliance:

- In 1 of 10 travel and per diem reimbursements tested, the employee was reimbursed at a rate of \$45 per day for 3 days for out of state travel for meal expenses, amounting to a total reimbursement of \$135. The employee did not provide receipts for actual meal expenses for reimbursement.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

SCHOOL OF DREAMS ACADEMY (Continued)

2014-001 Per Diem and Mileage Act (Other Matter) (Continued)

Criteria: According to NMAC 2.42.2.9(B)(2) and NMAC 2.42.2.9(B)(3) and the School of Dreams Academy's (SODA) Internal Control Policies manual, receipts must be provided for out of state meals, and the total amount per day must not exceed \$45. Meals should be reimbursed based on the actual amount expended, not at the daily maximum amount provided for in the Per Diem and Mileage Act.

Effect: SODA is not in compliance with the Per Diem and Mileage Act, nor is SODA in compliance with its own Internal Control Policy manual, and may have reimbursed the employee in excess of what the employee actually expended for meals.

Cause: SODA does not have an adequate understanding of the Per Diem and Mileage Act.

Recommendation: We recommend that SODA review the Per Diem and Mileage Act, and its own internal control policies manual on a regular basis to ensure employees understand and comply with the rules and regulations governing reimbursement for these types of expenditures.

Management Response: Audit Committee reviewed and will re-address that actual receipt to be turned in so that the School of Dreams Academy is in compliance with the Per Diem and Mileage Act. This will be included in the annual staff return training.

SOUTHWEST AERONAUTICS, MATHEMATICS, AND SCIENCE ACADEMY

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness)

Condition: During our testwork over the Southwest Aeronautics, Mathematics and Science Academy (SAMS) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over the following areas: cash, accounts receivables, capital assets, accounts payable, accrued liabilities, net position/fund balance, revenue, and expenditures. The SAMS was unable to provide supporting documentation to support the reported balances as a whole and its funds.

Furthermore, we noted inconsistencies in the documentation that was provided. For example, the capital asset listing that was provided included multiple items that that could not be located and were never received by the SAMS.

Per our inquiry with the current business manager and correspondence with the Office of the State Auditor (OSA) any documents that the SAMS did have were seized by the Federal Bureau of Investigation (FBI) in August 2014 as they are investigating potential fraud of substantial payments of public funds to the private business of the schools previous Head Administrator. As such, we were unable to apply audit procedures and are unable to provide and audit opinion on the SAMS.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

SOUTHWEST AERONAUTICS, MATHEMATICS, AND SCIENCE ACADEMY (Continued)

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness) (Continued)

Criteria: Pursuant to 6.20.2.11, every school shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. Additionally, pursuant to 6.20.2.13, the school shall maintain adequate accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SAMS lack of internal control over accounting records limits management's ability to monitor the accuracy of transactions and provide assurance with respect to public funds. Also, when sufficient controls are not designed, implemented and operating effectively, it increases the risk of financial misstatements going undetected and an increased risk of theft or fraud.

Cause: The SAMS records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SAMS did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

Recommendation: We recommend that the SAMS design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA. Furthermore, the SAMS should establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

Management Response: The school has hired a new administrator along with new contracted business managers. The NM Public Education Department has also taken over the school's Board of Finance. The individuals assigned to work on the financial issues of the school are working together to develop an internal control environment and structure that will safeguard the assets of the school while maintaining compliance with legal and regulatory requirements and appropriately recording and reporting financial activities of the school.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014**

SOUTHWEST AERONAUTICS, MATHEMATICS, AND SCIENCE ACADEMY (Continued)

2014-002 State Audit Rule (Non Compliance)

Condition: As noted within finding 2014-001, during our testwork over Southwest Aeronautics, Mathematics and Science Academy (SAMS) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over account balances. As such, we were unable to perform audit procedures related to the following state compliance requirements:

- Procurement Code (Sections 13-1-1 to 13-1-199 NMSA 1978) and State Purchasing Regulations 1.4.1 NMAC;
- Per Diem and Mileage Act (Sections 10-8-1 to 10-8-8 NMSA 1978), Regulations Governing the Per Diem and Mileage Act, and 2.42.2.11 NMAC;
- Public Money (Sections 6-10-1 to 6-10-63 NMSA 1978);
- Public School Finance Act (Sections 22-8-1 to 22-8-48 NMSA 1978);
- Investment of Public Money (Sections 6-8-1 to 6-8-21 NMSA 1978);
- Educational Retirement Act (Sections 22-11-1 to 22-11-55 NMSA 1978);
- Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978);
- Anti-Donation Clause (NM Constitution Article IX, Section 14);
- Budget Compliance (Sections 22-8-5 through 22-8-12.2, NMSA 1978);
- Lease Purchase Agreements (New Mexico Constitution Article IX, Section 8 and 11; Sections 6-6-11 to 6-6-12 NMSA 1978; *Montano v. Gabaldon*, 108 NM 94, 766 P.2d 1328, 1989);
- Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978);
- Compliance with PED Regulation Section 6.20.2 NMAC, *Governing Budgeting and Accounting for New Mexico Public Schools and School Districts* and the *Manual of Procedures*, primarily Supplement 7, *Cash Controls*;
- Inclusion of the cash reconciliation schedule which reconciles the cash balance as of the end of the previous fiscal year to the cash balance as of the end of the current fiscal year (Section 2.2.2.12 C (4)(b));
- New Mexico Public Schools Insurance Authority (NMPSIA) (Section 2.2.2.12 C (6))
- Annual Physical Inventory (Section 12-6-10 NMSA 1978)

Criteria: Pursuant to 6.20.2.13, the school shall maintain adequate accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SAMS is not in compliance with State law. Additionally, we unable able to perform testwork over compliance with 2.2.2 NMAC.

Cause: The SAMS records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SAMS did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2014**

SOUTHWEST AERONAUTICS, MATHEMATICS, AND SCIENCE ACADEMY (Continued)

2014-002 State Audit Rule (Non Compliance) (Continued)

Recommendation: We recommend that the SAMS design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA.

Management Response: The school's new administrator along with new contracted business managers and the NM Public Education Department are working to ensure records are maintained to document compliance with legal and regulatory requirements and appropriate recording and reporting of financial activities of the school. In addition, the new administration working with its governing council and finance committee review financial activity to ensure appropriate accountability for the school and maintenance of documentation to be available to the IPA.

SOUTHWEST INTERMEDIATE LEARNING CENTER

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness)

Condition: During our testwork over the Southwest Intermediate Learning Center (SILC) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over the following areas: cash, accounts receivables, capital assets, accounts payable, accrued liabilities, net position/fund balance, revenue, and expenditures. The SILC was unable to provide supporting documentation to support the reported balances as a whole and its funds.

Furthermore, we noted inconsistencies in the documentation that was provided. For example, the capital asset listing that was provided included multiple items that that could not be located and were never received by the SILC.

Per our inquiry with the current business manager and correspondence with the Office of the State Auditor (OSA) any documents that the SILC did have were seized by the Federal Bureau of Investigation (FBI) in August 2014 as they are investigating potential fraud of substantial payments of public funds to the private business of the schools previous Head Administrator. As such, we were unable to apply audit procedures and are unable to provide and audit opinion on the SILC.

Criteria: Pursuant to 6.20.2.11, every school shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. Additionally, pursuant to 6.20.2.13, the school shall maintain adequate

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SOUTHWEST INTERMEDIATE LEARNING CENTER (Continued)

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness) (Continued)

accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SILC lack of internal control over accounting records limits management's ability to monitor the accuracy of transactions and provide assurance with respect to public funds. Also, when sufficient controls are not designed, implemented and operating effectively, it increases the risk of financial misstatements going undetected and an increased risk of theft or fraud.

Cause: The SILC records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SILC did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

Recommendation: We recommend that the SILC design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA. Furthermore, the SILC should establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

Management Response: The school has hired a new administrator along with new contracted business managers. The NM Public Education Department has also taken over the school's Board of Finance. The individuals assigned to work on the financial issues of the school are working together to develop an internal control environment and structure that will safeguard the assets of the school while maintaining compliance with legal and regulatory requirements and appropriately recording and reporting financial activities of the school.

2014-002 State Audit Rule (Non Compliance)

Condition: As noted within finding 2014-001, during our testwork over Southwest Intermediate Learning Center (SILC) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over account balances. As such, we were unable to perform audit procedures related to the following state compliance requirements:

- Procurement Code (Sections 13-1-1 to 13-1-199 NMSA 1978) and State Purchasing Regulations 1.4.1 NMAC;

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SOUTHWEST INTERMEDIATE LEARNING CENTER (Continued)

2014-002 State Audit Rule (Non Compliance) (Continued)

- Per Diem and Mileage Act (Sections 10-8-1 to 10-8-8 NMSA 1978), Regulations Governing the Per Diem and Mileage Act, and 2.42.2.11 NMAC;
- Public Money (Sections 6-10-1 to 6-10-63 NMSA 1978);
- Public School Finance Act (Sections 22-8-1 to 22-8-48 NMSA 1978);
- Investment of Public Money (Sections 6-8-1 to 6-8-21 NMSA 1978);
- Educational Retirement Act (Sections 22-11-1 to 22-11-55 NMSA 1978);
- Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978);
- Anti-Donation Clause (NM Constitution Article IX, Section 14);
- Budget Compliance (Sections 22-8-5 through 22-8-12.2, NMSA 1978);
- Lease Purchase Agreements (New Mexico Constitution Article IX, Section 8 and 11; Sections 6-6-11 to 6-6-12 NMSA 1978; *Montano v. Gabaldon*, 108 NM 94, 766 P.2d 1328, 1989);
- Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978);
- Compliance with PED Regulation Section 6.20.2 NMAC, *Governing Budgeting and Accounting for New Mexico Public Schools and School Districts* and the *Manual of Procedures*, primarily Supplement 7, *Cash Controls*;
- Inclusion of the cash reconciliation schedule which reconciles the cash balance as of the end of the previous fiscal year to the cash balance as of the end of the current fiscal year (Section 2.2.2.12 C (4)(b));
- New Mexico Public Schools Insurance Authority (NMPSIA) (Section 2.2.2.12 C (6))
- Annual Physical Inventory (Section 12-6-10 NMSA 1978)

Criteria: Pursuant to 6.20.2.13, the school shall maintain adequate accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SILC is not in compliance with State law. Additionally, we unable able to perform testwork over compliance with 2.2.2 NMAC.

Cause: The SILC records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SILC did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

Recommendation: We recommend that the SILC design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA.

Management Response: The school's new administrator along with new contracted business managers and the NM Public Education Department are working to ensure records are maintained to document compliance with legal and regulatory requirements and appropriate recording and reporting of financial

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SOUTHWEST INTERMEDIATE LEARNING CENTER (Continued)

2014-002 State Audit Rule (Non Compliance) (Continued)

activities of the school. In addition, the new administration working with its governing council and finance committee review financial activity to ensure appropriate accountability for the school and maintenance of documentation to be available to the IPA.

SOUTHWEST PRIMARY LEARNING CENTER

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness)

Condition: During our testwork over the Southwest Primary Learning Center (SPLC) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over the following areas: cash, accounts receivables, capital assets, accounts payable, accrued liabilities, net position/fund balance, revenue, and expenditures. The SPLC was unable to provide supporting documentation to support the reported balances as a whole and its funds.

Furthermore, we noted inconsistencies in the documentation that was provided. For example, the capital asset listing that was provided included multiple items that that could not be located and were never received by the SPLC.

Per our inquiry with the current business manager and correspondence with the Office of the State Auditor (OSA) any documents that the SPLC did have were seized by the Federal Bureau of Investigation (FBI) in August 2014 as they are investigating potential fraud of substantial payments of public funds to the private business of the schools previous Head Administrator. As such, we were unable to apply audit procedures and are unable to provide and audit opinion on the SPLC.

Criteria: Pursuant to 6.20.2.11, every school shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. Additionally, pursuant to 6.20.2.13, the school shall maintain adequate accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SPLC lack of internal control over accounting records limits management's ability to monitor the accuracy of transactions and provide assurance with respect to public funds. Also, when sufficient controls are not designed, implemented and operating effectively, it increases the risk of financial misstatements going undetected and an increased risk of theft or fraud.

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SOUTHWEST PRIMARY LEARNING CENTER (Continued)

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness) (Continued)

Cause: The SPLC records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SPLC did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

Recommendation: We recommend that the SPLC design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA. Furthermore, the SPLC should establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

Management Response: The school has hired a new administrator along with new contracted business managers. The NM Public Education Department has also taken over the school's Board of Finance. The individuals assigned to work on the financial issues of the school are working together to develop an internal control environment and structure that will safeguard the assets of the school while maintaining compliance with legal and regulatory requirements and appropriately recording and reporting financial activities of the school.

2014-002 State Audit Rule (Non Compliance)

Condition: As noted within finding 2014-001, during our testwork over Southwest Primary Learning Center (SPLC) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over account balances. As such, we were unable to perform audit procedures related to the following state compliance requirements:

- Procurement Code (Sections 13-1-1 to 13-1-199 NMSA 1978) and State Purchasing Regulations 1.4.1 NMAC;
- Per Diem and Mileage Act (Sections 10-8-1 to 10-8-8 NMSA 1978), Regulations Governing the Per Diem and Mileage Act, and 2.42.2.11 NMAC;
- Public Money (Sections 6-10-1 to 6-10-63 NMSA 1978);
- Public School Finance Act (Sections 22-8-1 to 22-8-48 NMSA 1978);
- Investment of Public Money (Sections 6-8-1 to 6-8-21 NMSA 1978);
- Educational Retirement Act (Sections 22-11-1 to 22-11-55 NMSA 1978);
- Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978);
- Anti-Donation Clause (NM Constitution Article IX, Section 14);
- Budget Compliance (Sections 22-8-5 through 22-8-12.2, NMSA 1978);

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SOUTHWEST PRIMARY LEARNING CENTER (Continued)

2014-002 State Audit Rule (Non Compliance) (Continued)

- Lease Purchase Agreements (New Mexico Constitution Article IX, Section 8 and 11; Sections 6-6-11 to 6-6-12 NMSA 1978; *Montano v. Gabaldon*, 108 NM 94, 766 P.2d 1328, 1989);
- Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978);
- Compliance with PED Regulation Section 6.20.2 NMAC, *Governing Budgeting and Accounting for New Mexico Public Schools and School Districts* and the *Manual of Procedures*, primarily Supplement 7, *Cash Controls*;
- Inclusion of the cash reconciliation schedule which reconciles the cash balance as of the end of the previous fiscal year to the cash balance as of the end of the current fiscal year (Section 2.2.2.12 C (4)(b));
- New Mexico Public Schools Insurance Authority (NMPSIA) (Section 2.2.2.12 C (6))
- Annual Physical Inventory (Section 12-6-10 NMSA 1978)

Criteria: Pursuant to 6.20.2.13, the school shall maintain adequate accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SPLC is not in compliance with State law. Additionally, we unable able to perform testwork over compliance with 2.2.2 NMAC.

Cause: The SPLC records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SPLC did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

Recommendation: We recommend that the SPLC design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA.

Management Response: The school's new administrator along with new contracted business managers and the NM Public Education Department are working to ensure records are maintained to document compliance with legal and regulatory requirements and appropriate recording and reporting of financial activities of the school. In addition, the new administration working with its governing council and finance committee review financial activity to ensure appropriate accountability for the school and maintenance of documentation to be available to the IPA.

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SOUTHWEST SECONDARY LEARNING CENTER

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness)

Condition: During our testwork over the Southwest Secondary Learning Center (SSLC) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over the following areas: cash, accounts receivables, capital assets, accounts payable, accrued liabilities, net position/fund balance, revenue, and expenditures. The SSLC was unable to provide supporting documentation to support the reported balances as a whole and its funds.

Furthermore, we noted inconsistencies in the documentation that was provided. For example, the capital asset listing that was provided included multiple items that that could not be located and were never received by the SSLC.

Per our inquiry with the current business manager and correspondence with the Office of the State Auditor (OSA) any documents that the SSLC did have were seized by the Federal Bureau of Investigation (FBI) in August 2014 as they are investigating potential fraud of substantial payments of public funds to the private business of the schools previous Head Administrator. As such, we were unable to apply audit procedures and are unable to provide and audit opinion on the SSLC.

Criteria: Pursuant to 6.20.2.11, every school shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations. Additionally, pursuant to 6.20.2.13, the school shall maintain adequate accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SSLC lack of internal control over accounting records limits management's ability to monitor the accuracy of transactions and provide assurance with respect to public funds. Also, when sufficient controls are not designed, implemented and operating effectively, it increases the risk of financial misstatements going undetected and an increased risk of theft or fraud.

Cause: The SSLC records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SSLC did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

Recommendation: We recommend that the SSLC design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA. Furthermore, the SSLC should establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-

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SOUTHWEST SECONDARY LEARNING CENTER (Continued)

2014-001 Lack of Internal Controls over Accounting Records (Material Weakness) (Continued)

guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP, and that state and federal programs are managed in compliance with applicable laws and regulations.

Management Response: The school has hired a new administrator along with new contracted business managers. The NM Public Education Department has also taken over the school's Board of Finance. The individuals assigned to work on the financial issues of the school are working together to develop an internal control environment and structure that will safeguard the assets of the school while maintaining compliance with legal and regulatory requirements and appropriately recording and reporting financial activities of the school.

2014-002 State Audit Rule (Non Compliance)

Condition: As noted within finding 2014-001, during our testwork over Southwest Secondary Learning Center (SSLC) we were unable to obtain sufficient appropriate audit evidence to perform audit procedures over account balances. As such, we were unable to perform audit procedures related to the following state compliance requirements:

- Procurement Code (Sections 13-1-1 to 13-1-199 NMSA 1978) and State Purchasing Regulations 1.4.1 NMAC;
- Per Diem and Mileage Act (Sections 10-8-1 to 10-8-8 NMSA 1978), Regulations Governing the Per Diem and Mileage Act, and 2.42.2.11 NMAC;
- Public Money (Sections 6-10-1 to 6-10-63 NMSA 1978);
- Public School Finance Act (Sections 22-8-1 to 22-8-48 NMSA 1978);
- Investment of Public Money (Sections 6-8-1 to 6-8-21 NMSA 1978);
- Educational Retirement Act (Sections 22-11-1 to 22-11-55 NMSA 1978);
- Sale of Public Property (Sections 13-6-1 to 13-6-8 NMSA 1978);
- Anti-Donation Clause (NM Constitution Article IX, Section 14);
- Budget Compliance (Sections 22-8-5 through 22-8-12.2, NMSA 1978);
- Lease Purchase Agreements (New Mexico Constitution Article IX, Section 8 and 11; Sections 6-6-11 to 6-6-12 NMSA 1978; *Montano v. Gabaldon*, 108 NM 94, 766 P.2d 1328, 1989);
- Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978);
- Compliance with PED Regulation Section 6.20.2 NMAC, *Governing Budgeting and Accounting for New Mexico Public Schools and School Districts* and the *Manual of Procedures*, primarily Supplement 7, *Cash Controls*;
- Inclusion of the cash reconciliation schedule which reconciles the cash balance as of the end of the previous fiscal year to the cash balance as of the end of the current fiscal year (Section 2.2.2.12 C (4)(b));

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SOUTHWEST SECONDARY LEARNING CENTER (Continued)

2014-002 State Audit Rule (Non Compliance) (Continued)

- New Mexico Public Schools Insurance Authority (NMPSIA) (Section 2.2.2.12 C (6))
- Annual Physical Inventory (Section 12-6-10 NMSA 1978)

Criteria: Pursuant to 6.20.2.13, the school shall maintain adequate accounting records, prepare financial statements in accordance with GAAP (specifically, GASB 34), and provide complete, accurate, and timely information to the independent public accountant (IPA) as requested.

Effect: The SSLC is not in compliance with State law. Additionally, we unable able to perform testwork over compliance with 2.2.2 NMAC.

Cause: The SSLC records were in disarray as the previous Head Administrator did not maintain complete and accurate records. Any documentation the SSLC did have were seized by the FBI as part of their investigation related to the previous Head Administrator.

Recommendation: We recommend that the SSLC design and implement controls to ensure adequate accounting records are maintained, complete, and reconciled timely in order to provide complete, accurate, and timely information to the IPA.

Management Response: The school's new administrator along with new contracted business managers and the NM Public Education Department are working to ensure records are maintained to document compliance with legal and regulatory requirements and appropriate recording and reporting of financial activities of the school. In addition, the new administration working with its governing council and finance committee review financial activity to ensure appropriate accountability for the school and maintenance of documentation to be available to the IPA.

TAOS ACADEMY

2014-001 Procurement Code – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: The Taos Academy did not follow proper procurement procedures when obtaining a vendor to install solar panels for the school. The total estimated cost was \$59,996. The Taos Academy obtained three quotes by making phone calls rather than sending written requests containing the specifications for the procurement.

Criteria: Per NMAC 1.4.1.51 STATE PROCUREMENT: A. Quotation to be obtained. Insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding twenty thousand dollars (\$20,000) but not exceeding sixty thousand dollars

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TAOS ACADEMY (Continued)

2014-001 Procurement Code – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

(\$60,000), and in accordance with any procedures or processes set forth by the state purchasing agent, no fewer than three businesses shall be solicited via written requests containing the specifications for the procurement to submit written quotations that are recorded and placed in the procurement file.

Effect: The Taos Academy could be overpaying for services and/or goods.

Cause: Lack of proper internal controls to ensure the school follows procurement guidelines when obtaining a vendor for construction services.

Auditors' Recommendation: For construction purchases between \$20,000 and \$60,000, the Taos Academy should solicit no fewer than three businesses via written requests containing the specifications for the procurement.

Management's Response: The School did receive three written bids for services, however, a formal request was not sent to those that bid. In the future, if the school shall seek bids for construction, specifications will be used for the purpose of soliciting bids.

TAOS INTEGRATED SCHOOL OF THE ARTS

2014-001 – Timely Deposits – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During our cash receipts test work we noted that a cash receipt in the amount of \$1,436.89 was received on May 1, 2014, but was not deposited until May 13, 2014. In addition, we noted a cash receipt in the amount of \$5 that was received on May 6, 2014 but was not deposited until May 8, 2014.

Criteria: NMAC 6.20.2.14.C states "Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The Taos Integrated School of Arts (TISA) was not in compliance with State Statute. Additionally the TISA has exposed itself to possible misappropriation of assets.

Cause: Cash deposits were not taken to the bank within a 24 hour period due to available staffing.

Auditors' Recommendation: We recommend policies and procedures be implemented to track and maintain all items relating to cash receipts and ensure timely deposits are made within 24 hours.

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TAOS INTEGRATED SCHOOL OF THE ARTS (Continued)

2014-001 – Timely Deposits – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Management's Response: One of the deposits in question would not clear the bank on May 1, 2014 so the bank did not accept the deposit. The Office Manager checked with the account holder and they confirmed that there would not be sufficient funds until the date of the actual deposit. The School will continue to follow policy and improve processes to ensure that deposits are deposited in the bank within a 24 hour period.

THE LEARNING COMMUNITY CHARTER SCHOOL

2014- 001 Internal Control Structure (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During internal control testwork over a sample of 25 cash disbursements, we noted the following:

- Three transactions, totaling \$9,489, did not have supporting documentation.
- Purchase orders were not created for employee reimbursements.

Criteria: Per NMAC 6.20.2.17 PURCHASING: A. Each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

Effect: Proper maintenance of supporting documentation relating to financial transactions is necessary to mitigate possible dual payment of invoices and to resolve possible disputes with vendors, etc.

Reimbursements could be made without proper approval and expenditures could be reported inaccurately or misclassified in the improper fund. This could result in funds being overspent and balances misstated.

Cause: The timing of the audit occurred after the school closed and access to financial documents was limited to scanned versions of files. Supporting documentation, such as invoices and purchase orders, could not be located from the scanned documents.

Auditors' Recommendation: The School should have developed and implemented internal controls making sure that all supporting documentation was maintained. Lastly, purchase orders should have been prepared for all employee reimbursements.

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THE LEARNING COMMUNITY CHARTER SCHOOL (Continued)

2014- 001 Internal Control Structure (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter) (Continued)

Management's Response: The Learning Community Charter School was closed by the Public Education Commission effective June 30, 2014.

2014-002 Personnel File Maintenance (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During internal control testwork over a sample of 25 payroll transactions, we noted the following:

- Two employees did not have I-9 documents and an additional two had I-9 documentation without authorized signatures.
- One employee did not have a W-4 on file.
- Separate personnel files were not kept and maintained for two substitute teachers and one teacher.
- Background checks were not on file for a contract coach and a substitute teacher.
- Six employees were missing insurance authorization forms.
- For 19 of 25 transactions tested, payroll registers could not be located during the audit. Proper review and approval could not be determined.

Criteria: Section 6.20.2.18 from NMAC regarding payroll states the following: The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

NMSA 22-10A-5 section D states the following: An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record.

Authorization of payroll registers are to follow 6.20.2.11 of NMAC section B which states that each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording

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THE LEARNING COMMUNITY CHARTER SCHOOL (Continued)

2014-002 Personnel File Maintenance (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter) (Continued)

procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

Effect: The School could be exposed to unnecessary risk when background checks are not performed satisfactorily upon hire of all employees. Payroll liabilities could be misstated and have a potential effect on budget constraints when not reviewed in a timely manner. Incomplete personnel files can lead to future issues or disputes when all supporting documentation is not maintained.

Cause: Employee files were not properly maintained and kept up to date to include all changes to employee information. Portions of supporting documentation were kept but files were not complete upon review.

Auditors' Recommendation: The School should have reviewed personnel files to ensure all required documentation was completed and current for each employee. Authorization for all payroll registers should have been obtained prior to payroll disbursement. Lastly, all employees should have had a favorable background check before any interaction with the students at the School.

Management's Response: The Learning Community Charter School was closed by the Public Education Commission effective June 30, 2014.

2014-003 Timely Deposits (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During our cash receipts test work we noted that a cash receipt in the amount of \$1,440 was deposited on March 3, 2014 but supporting documentation did not have any indication of when the check was received.

Criteria: NMAC 6.20.2.14.C states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day."

Effect: The School was not in compliance with State Statute. Additionally the School has exposed itself to possible misappropriation of assets.

Cause: After the closure of the School, supporting documentation could not be located for review during the audit.

Auditors' Recommendation: The School should have created procedures to ensure that all funds were properly deposited within 24 hours and supporting documentation was properly maintained.

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THE LEARNING COMMUNITY CHARTER SCHOOL (Continued)

2014-003 Timely Deposits (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter) (Continued)

Management's Response: The Learning Community Charter School was closed by the Public Education Commission effective June 30, 2014.

2013-002 [CS 2013-02-VV] Procurement Code (Noncompliance in Accordance with the New Mexico State Audit Rule) (Repeat Finding) (Other Matter)

Condition: During proceedings to close the School, the School hired a related-party to perform legal services. The total amount spent was \$103,300 and no bid process was documented.

Criteria: As indicated in NMAS 1.4.1.14 through 1.4.1.28, an internal control structure over purchasing shall be established and maintained to assure compliance with school district policy and state and federal regulations in assurance that all the bids are supported by proper documentation.

Effect: The School is not in compliance with NMAS 1.14.1.14 through 1.4.1.28.

Cause: The School made numerous attempts to contact various firms for legal services. Attempts were made via newspaper and telephone, however, supporting documentation could not be located documenting such attempts. According to School personnel, the School contends that the vendor chosen provided sole source services for the School's ensuing legal litigation and throughout the PED appeals process.

Auditors' Recommendation: The School should have designated a procurement agent who would have been accountable for maintaining records and ensuring State procurement policies were being implemented and followed. The School should have obtained bids when services rendered were greater than \$60,000.

Management's Response: The Learning Community Charter School was closed by the Public Education Commission effective June 30, 2014.

2009-003 [CS 2009-203-VV] Internal Control Structure, (Noncompliance in Accordance with the New Mexico State Audit Rule) (Repeat Finding) (Other Matter)

Condition: During our testwork we noted the following:

- The trial balance had liability accounts which had debit balances totaling \$38,868 that were not reconciled for several years.
- The capital assets listing could not be provided to the auditors during the fieldwork.

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THE LEARNING COMMUNITY CHARTER SCHOOL (Continued)

2009-003 [CS 2009-203-VV] Internal Control Structure, (Noncompliance in Accordance with the New Mexico State Audit Rule) (Repeat Finding) (Other Matter) (Continued)

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall maintain internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Per NMAC 6.20.2.22, a control system shall be implemented for assets of a long-term character which are intended to continue to be held or used, such as land, buildings, furniture, machinery and equipment shall be acquired and accounted for through the development and implementation of a complete property control system which shall be adopted by the local board and in accordance with GAAP.

Effect: The school is not in compliance with the State Auditors rule for capital assets and internal controls implemented for safeguarding capital assets and establishing accountability for their custody and use.

Cause: Turnover in the Business Manager position and the closure of the school led to difficulties in reconciling capital asset information at year end.

Auditors' Recommendation: We recommend the school conform to the following:

- The School should have performed reconciliations of all accounts on a monthly basis. This would have helped in making pertinent decisions affecting the School by the Governance board and management.
- The School should have reconciled the annual inventory to the capital asset listing to ensure all items were properly capitalized. The School should have implemented policies and procedures to ensure the depreciation schedule was maintained and calculated properly.

Management's Response: The Learning Community Charter School was closed by the Public Education Commission effective June 30, 2014.

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Year Ended June 30, 2014**

TIERRA ADENTRO

2014-001 Internal Control Structure and Prepayment for services (Non-Compliance in Accordance with the New Mexico State Audit Rule and Significant Deficiency)

Condition: During our review of twenty-five disbursements, we noted one expenditure totaling \$7,000 that did not have adequate supporting documentation. According to Tierra Adentro personnel, this payment was an advance for services but there is no support to determine this. In addition, we could not determine if the advance was ever repaid. Lastly, based on review of this contractor, it appears the individual should have been classified as an employee instead of a contractor.

Criteria: NMAC 6.20.2.11 Internal Control Structure Standards, requires every school to maintain an internal control structure that will provide management with reasonable assurance assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Section 13-1-158 NMSA 1978 states that "no warrant, check or other negotiable instrument shall be issued in payment for any purchase of services unless the using agency certifies that the services have been performed and met specifications."

Effect: Tierra Adentro is not in compliance with NMAC 6.20.2.11 and Section 13-1-158 NMSA 1978.

Cause: Internal controls were not in place to ensure adequate support was maintained and that contractors were properly reviewed to determine employee versus contractor status.

Auditor's Recommendation: Adequate support should be maintained for expenditures. The School should ensure internal controls are in place to make sure that all services have been performed before payment has been made. If the expenditure was an advance, the School should ensure the advance was repaid. In addition, the School should use IRS guidance when determining whether an individual is an employee or a contractor.

Management's Response: The school will emphasize that the internal control procedures are followed to ensure that no vendor/employee is overpaid or pays for services/goods that have not been received. The school will also follow the IRS guidance when determining whether an employee is a contractor or employee.

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PUBLIC EDUCATION DEPARTMENT
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Year Ended June 30, 2014**

UPLIFT COMMUNITY SCHOOL

2014-001 Supporting Documentation – Noncompliance with the New Mexico State Auditor’s Rule (Significant Deficiency)

Condition: During our test-work the following items were noted:

- In a sample of 60 expenditures, there was one disbursement in the amount of \$320, where the school could not provide any supporting documentation.
- In a sample of twenty cash receipts selected for student fees and student activities, seventeen of the items selected were missing a receipt (approximate total of \$2,800) to the party submitting payment and six items (approximate total of \$734) were missing a bank deposit slip.

Criteria: Per NMAC 6.20.2.11 (A) Internal Control Structure Standards, "every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP. The internal control structure shall include written administrative controls (rules, procedures and practices, and policies that affect the organization) and accounting controls (activity cycles, financial statement captions, accounting applications including computer systems) that are in accordance with GAAP."

Additionally, NMSAC 6.20.2.14.C states that money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

Effect: It could not be determine if the expenditure and the cash receipts were properly recorded on the general ledger. It could not be determined if the cash receipts were deposited in a timely manner.

Cause: For the missing cash disbursement, the School misplaced the supporting documentation. For the missing receipts and deposit slips, the items were unavailable because they were turned over to local law enforcement as part of a police investigation (See finding 2014-002).

Recommendation: The School should put in place internal controls so that documentation for all financial activity is available for examination both by school personnel and external parties such as the auditors.

Management Response: Uplift Community School has worked hard to establish and maintain a set of internal controls and policies and procedures around procurement. FY2014 was a very unique year in which the school experienced a large amount of instability at the top. With the sudden and urgent resignation of the schools Director, the school had difficulty finding a permanent replacement and was forced to use a combination of pioneering qualified staff as well as an outside part-time employee. The

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UPLIFT COMMUNITY SCHOOL (Continued)

2014-001 Supporting Documentation – Noncompliance with the New Mexico State Auditor’s Rule (Significant Deficiency) (Continued)

school was not able to adhere to the normal policies and procedures that had been in place due to the lack of a Director on site during all times of the school day. The school has reviewed the policies and procedures and has hired a new full time Director.

2014-002 State Auditor Notification – Noncompliance with the New Mexico State Auditor’s Rule (Other Matters)

Condition: The UCS determined that \$1,687 in cash receipts for the lunch program was misappropriated by school personnel. The UCS notified local police as well as the New Mexico Public Insurance Authority. However, the UCS did not notify the New Mexico Office of the State Auditor.

Criteria: NMAC 2.2.2.10 K (2) states that “Pursuant to 12-6-6 NMSA 1978 (Criminal Violations), an agency or IPA shall notify the State Auditor immediately, in writing, upon discovery of any violation of a criminal statute in connection with financial affairs. The notification shall include an estimate of the dollar amount involved, and a complete description of the violation, including names of persons involved and any action taken or planned”.

Effect: The UCS is not in compliance with New Mexico State Statutes in regards to notifying the New Mexico State Auditor’s Office of possible violations of criminal statutes.

Cause: The UCS was not aware of the Statute regarding notification to the New Mexico State Auditor’s Office.

Recommendation: The UCS should make all key personnel in the UCS aware of the requirements of NMAC 2.2.2.10 K (2).

Management Response: Management was not aware of the requirement to notify the state auditor of any violation of criminal statutes. The school immediately notified the local authorities, as well as their insurance company of the variance. The school will ensure that all key personnel are aware of the requirement to notify the state auditor of criminal violations of the statutes relating to financial matters.

2014-003 Mileage Reimbursements – Noncompliance with the New Mexico State Auditor’s Rule (Other Matters)

Condition: For the year ended June 30, 2014, it was noted that the UCS reimbursed employees for mileage at a rate of fifty six cents per mile.

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UPLIFT COMMUNITY SCHOOL (Continued)

2014-003 Mileage Reimbursements – Noncompliance with the New Mexico State Auditor’s Rule (Other Matters) (Continued)

Criteria: NMAC 2.42.2.11 (B) (1) states public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the official discharge of official duties as follows: “unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.”

Effect: The UCS is not in compliance with New Mexico State Statutes in regards to mileage reimbursement.

Cause: The UCS contends that it is a Local Public Body and not a State Agency. As a Local Public Body, the school contends that it may reimburse mileage at the full amount authorized by the IRS. The New Mexico Public Education Department (PED) has indicated to the auditors that charter schools chartered under PED are a component unit of PED and should reimburse mileage at the rate approved for a State Agency.

Recommendation: The UCS should reimburse mileage at 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

Management Response: The school will adopt updated financial policies and procedures concerning travel and per diem limiting the mileage reimbursement rate to 80% of the current IRS rate as of January 1 of the current year.

2014-004 Budgetary Conditions – Noncompliance with the New Mexico State Auditor’s Rule (Other Matters)

Condition: The UCS has expenditure functions where actual expenditures exceeded budgetary authority for the following fund:

Federal Charter School Planning 24146	
Support Services	\$4,205

Criteria: Per NMAC 6.20.2.9(A) every school district shall follow budget requirements stated in Sections 22-8-5 through 22-8-12.2 NMSA 1978, and procedures of the department in preparing, submitting, maintaining and reporting budgetary information. Budgetary control shall be at the function level. Over-expenditure of a function shall not be allowed.

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UPLIFT COMMUNITY SCHOOL (Continued)

2014-004 Budgetary Conditions – Noncompliance with the New Mexico State Auditor’s Rule (Other Matters) (Continued)

Effect: The UCS is out of compliance with New Mexico State Statute and the control established by the use of budgets has been compromised, which could result in deficit fund balances and unnecessary usage of operating funds to cover the over-expenditures.

Cause: Actual expenditures were not being adequately monitored by management.

Recommendation: We recommend the UCS establish a policy of budgetary review by the governing council or finance committee at the end of each quarter and have the governing council approve the necessary budgetary adjustments to ensure funds are not over expended.

Management Response: Management will review the current policy that is in place to review budget-to-actuals for the estimation of the year end position. Currently the schools finance committee meets in June to review the estimates and create any necessary budget adjustments. In FY2014 the remaining authority located in the Federal Charter School Planning grant was realigned at the last moment after the date for the final Budget Adjustment Requests were due to the PED.

2013-002 [CS 2013-02-XX] Internal Control Structure (Non Compliance)

Condition: During our fieldwork we noted that the Uplift Community School (UCS) does not have a contract in place with the food service vendor. Total disbursements were \$25,679.82.

Criteria: Per 7 CFR part 210.21(f) Cost reimbursable contracts-(1) required provisions. The school food authority must include the following provisions in all cost reimbursable contracts, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts: (i) allowable costs will be paid from the nonprofit school service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority.

Effect: The UCS could be overpaying for services.

Cause: The UCS entered into an arrangement with the food service vendor to provide food but did not enter into a formal contract for the pricing.

Recommendation: We recommend that contracts be completed for food services in order to ensure that all the CFR compliance requirements are properly included in the contract.

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UPLIFT COMMUNITY SCHOOL (Continued)

2013-002 [CS 2013-02-XX] Internal Control Structure (Non Compliance) (Continued)

Management's Response: Management has requested multiple times from numerous individuals within the Sysco Company the food contract. Sysco only provides the raw materials for the food service program. The school is aware of the requirement to have an executed agreement with the food service provider. The school is investigating other vendor options who will easily provide the requested agreement, bringing the school into compliance.

WALATOWA HIGH CHARTER SCHOOL

2014-001 – Internal Control Structure – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During our cash receipts testwork, we noted that the WHCS had receipts from student activities, such as athletic events, game tickets and concessions, and various fundraisers. The WHCS is not performing multiple independent individual counts of cash collected at athletic events. For sporting events, there is no reconciliation of total tickets issued and sold for these events (excluding district games).

Criteria: NMAC 6.20.2.11 requires that every school district maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use of dispositions.

Effect: The WHCS was not in compliance with State Statute regarding cash receipts collected at student activities. Additionally, the WHCS is exposed to misappropriation of assets due to the lack of multiple independent cash counts at sporting events.

Cause: Due to the availability of staff, the WHCS has difficulty performing independent counts at sporting events at the School.

Auditors' Recommendation: Ensure policies and procedures are implemented to safeguard cash collected at student activity events, i.e. sporting events. The following controls should be implemented:

- Cash should be collected by at least two individuals. Each person should have their own bank which is maintained and then counted by another individual. Once counted by more than one individual, the total amount should be documented and the individuals who performed the count should sign the cash count form.
- The WHCS should use pre-numbered tickets for all sporting events. The number of tickets used for a sporting event should be documented and tracked. Once the event is completed, the WHCS should reconcile the number of tickets sold to the total amount of cash collected. Any discrepancies should be investigated.

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WALATOWA HIGH CHARTER SCHOOL (Continued)

2014-001 – Internal Control Structure – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Management's Response: The School will distribute and verify pre-numbered tickets for all sporting events for tracking. Once the event is completed, the School will reconcile the number of tickets sold to the total amount of cash collected. Two designated School employees will review tickets sold, collect and count cash, secure documented amount in the School facility. Within 24 hours, the School will deposit the amount at the bank and will return the receipt to the Business Manager for review. All bank deposits and cash counts are to coincide. A cash form has been created and will be used throughout the cash handling process.

2014-002 - Payroll Transactions - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During our internal control testwork, we noted the following:

- A background check was not on file for one employee.
- For three employees the employee files included fingerprint cards taken but there was no supporting documentation evidencing that background checks had been performed and reviewed by the School.
- The Principal did not sign two of the payroll registers for pay periods in October 2013 and May 2014 documenting the review and approval of payroll disbursements.

Criteria: According to 22-10.3.3 NMSA 1978, policies and procedures should be developed requiring background checks on an applicant who has been offered employment with unsupervised access to students at a charter school.

Per 6.20.2.11 of NMAC section B which states that each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

Effect: The WHCS could be exposed to unnecessary risk when background checks are not completed upon hiring of employees. Payroll errors could occur without the proper review and approval of payroll.

Cause: Employee files were not properly maintained and kept up to date to include all changes to employee information. Portions of supporting documentation was kept but information was not complete for review. Payroll registers were not always presented for review nor authorized prior to payroll disbursement.

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WALATOWA HIGH CHARTER SCHOOL (Continued)

2014-002 - Payroll Transactions - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Auditor's Recommendation: Ensure the WHCS reviews their policies and procedures regarding background checks and ensures that each employee has a background check before being hired by the school. In addition, ensure that authorization for all payroll registers are obtained prior to payroll disbursement.

Management's Response: All employees will be required to complete and/or update all background checks which will be placed in personnel file no later than August 2015. The mentioned unsigned payroll registers have been reviewed and corrected for October 2013 and May 2014. In the future, the Principal will review, approve and sign payroll summary prior to any payroll disbursement.

2013-001 [CS 2013-01-ZZ] – Timely Deposits – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: During our cash receipts testwork, we noted that a cash receipt in the amount of \$10,019.63 was received on August 9, 2013 but was not deposited until August 15, 2013.

Criteria: NMAC 6.20.2.14.C states “money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.”

Effect: The WHCS was not in compliance with State Statute. Additionally the WHCS has exposed itself to possible misappropriation of assets.

Cause: The WHCS's policies and procedures are not being enforced.

Auditors' Recommendation: Implement policies and procedures to ensure deposits are made within 24 hours of the cash receipt.

Management's Response: We will enforce school policies and procedures to ensure deposits are made within the 24 hours of cash receipt. The school designates the Business Manager, Principal and/or designee to deposit cash receipts within the 24 hour period. In case deposit cannot be made in the timeframe allotted, the Business Manager will provide documentation and deposit next business day.

2013-004 [CS 2013-04-ZZ] Travel & Per Diem - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: The Walatowa High Charter School (WHCS) paid out mileage of \$0.45 per mile to employees for mileage accrued in the use of their private automobiles for an amount of \$401.40. However, the WHCS should have paid the employee \$396.05 based on travel and per diem regulations.

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WALATOWA HIGH CHARTER SCHOOL (Continued)

2013-004 [CS 2013-04-ZZ] Travel & Per Diem - Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Criteria: Per NMAC 2.42.2.11 mileage should be paid out for use in a private vehicle at 80% of the Internal Revenue Service (IRS) standard rate set January 1 of the previous year for each mile traveled in a privately owned vehicle. (The transaction took place in 2013 and the IRS approved rate for 2012 was \$0.555.)

Effect: The WHCS is not in compliance with New Mexico state statute and overpaid an employee for travel on behalf of the WHCS.

Cause: The WHCS's Governing Board in June 2009 approved that all mileage would be paid out at \$0.45 per mile. However, the WHCS is not adjusting this rate annually to ensure they are in compliance with IRS rate changes.

Auditor's Recommendation: Follow the Travel and Per Diem and Mileage Act for local governments when paying out mileage reimbursements.

Management Response: The Board will approve travel and per diem reimbursement based on IRS annual standard amounts. Mileage will be based utilizing the Rand McNally mileage calculator.

2013-008 [CS 2013-08-ZZ] - Employee Contract – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters)

Condition: When testwork was completed for payroll disbursements, it was noted that three employees received retroactive salary increases during the school year for increased duties and expectations. Between the three employees, the salary increases totaled \$24,386 for the 2013-2014 school year.

Criteria: Section 6.20.2.18 from NMAC regarding payroll states the following: The local board shall establish written payroll policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School districts shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, pay or position change notices, Educational Retirement Act plan application, and direct deposit authorizations.

Effect: Without proper documentation and authorization, the incorrect salary amount could be paid to staff.

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WALATOWA HIGH CHARTER SCHOOL (Continued)

2013-008 [CS 2013-08-ZZ] - Employee Contract – Noncompliance in Accordance with the New Mexico State Audit Rule (Other Matters) (Continued)

Cause: The WHCS documented the salary increase and list of increased duties performed by the employees. However, there was no formal documented authorization performed by the Principal. Instead, the Principal gave verbal confirmation at the time of the salary increases as authorization.

Auditor's Recommendation: Ensure the WHCS reviews their policies and procedures regarding contracts to ensure that each employee has a new or amended contract approved in writing by proper personnel when changes occur and kept within the employee file.

Management's Response: When salary increases occur during the school year, the Business Manager will make the calculations and determinations for whether the allocation is allowed. A formal request for salary increases will then be given to the Principal for review and approval.

WILLIAM W. & JOSEPHINE DORN CHARTER COMMUNITY SCHOOL

2014-001 Timely Deposits (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During cash receipts test work, we noted the School did not maintain a cash receipt log that documents the date of cash receipts. We were unable to obtain sufficient audit evidence to confirm that deposits were completed within the required 24-hour timeframe.

Criteria: NMAC 6.20.2 states that "money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day." Section D of that same statute states that "a cash receipts journal is to be used for each fiscal year beginning July 1 and ending June 30, and is to be presented to the school district's auditor during the annual audit.

Effect: The School was not in compliance with State Statute. Additionally the School has exposed itself to possible misappropriation of assets.

Cause: The School did not maintain a cash receipts log.

Auditors' Recommendation: Ensure the school utilizes a cash receipts log to document the date and amount of each receipt and create a procedure to ensure that all funds are deposited within 24 hours of receipt.

Management's Response: The School has created a cash receipt log to document the date and amount of each receipt collected by the School. This will also help ensure that all money received is deposited within a 24-hour period.

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WILLIAM W. & JOSEPHINE DORN CHARTER COMMUNITY SCHOOL (Continued)

2014-002 Personnel File Maintenance (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During our review of a sample of 25 employee files, we noted the following issues:

- One employee had an expired background check and background checks could not be provided for two other employees.
- An employee contract was initially signed and authorized by a party related to the employee. This was subsequently corrected by obtaining an applicable signature from a governing council member.
- A time off request was completed and signed by an employee but did not include the approval signature of the Principal.

Criteria: According to 22-10.3.3 NMSA 1978, policies and procedures should be developed requiring background checks on an applicant who has been offered employment with unsupervised access to students at a charter school.

Management is responsible for the identification of related party transactions and should implement adequate internal controls to ensure that transactions with related parties are appropriately identified. An independent review should be performed if deemed necessary.

State Regulation 6.20.2.18 NMAC states that the School must maintain and have available for inspection all payroll related documentation.

Effect: Potential litigation exists as the School is not performing background checks required by state statute. In addition, the School entered into a related party transaction without an independent review. Lastly, the School could be compensating employees incorrectly if time-off requests are not reviewed for accuracy.

Cause: The School administration believed the maintenance of a valid teacher license met the requirements to begin work. The School does not have internal controls in place for related party transaction approval. The School did not follow their internal controls related to the approval of time off requests.

Auditors' Recommendation: Ensure the School reviews their policies and procedures manual regarding background checks and ensures that each employee has a background check before being hired by the school. All potential related party contracts should be reviewed and scrutinized closely by independent parties before entering into any formal contracts or agreements. Lastly, proper approval should be given for any time off requests made by employees.

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WILLIAM W. & JOSEPHINE DORN CHARTER COMMUNITY SCHOOL (Continued)

2014-002 Personnel File Maintenance (Non-Compliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Management's Response: The School did make sure that all employees had a background check, however, the background checks were not printed and placed in the employee folder. The School now knows how to download the background checks and will print a copy and place it in the employee file. The School has set procedures in place so related party contracts will be approved and signed by the board. The School has also set policies and procedures so that all leave slips will be signed off properly and logged.

2014-003 Procurement Code (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During our procurement test work, we noted the following:

- The School could not provide documentation proving they obtained three quotes from different vendors for two purchases of goods by two different vendors for amounts of \$5,748 and \$6,627.
- Purchase requisitions were not authorized by the principal prior to being given to the business manager for processing.
- Invoices had no evidence of review by the principal prior to cash disbursement. After payment was issued, invoices were not stamped paid in order to prevent duplicate payment.

Criteria: Per NMAC 6.20.2.17 PURCHASING: A. each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq., NMSA 1978. Purchasing policies and procedures for grant funding shall comply with requirements established within the grant and the Procurement Code. An internal control structure over purchasing shall be established and maintained to assure compliance with school district policy, and state and federal regulations.

The Schools adopted financial policies and procurement guidelines state, "For purchases of tangible items between \$5,001- \$19,999.99 the requisitioning employee must obtain three quotes. The quotes can be either verbal or written. All quotes must be documented on the purchase requisition, and the chosen vendor must be noted. If the lowest bidder is not utilized, the reason for the selection must be documented on the purchase requisition. Any supporting documents relating to the bids must be attached to the purchase requisition.

The School requisition process requires the Chief Executive Officer (or principal) to review the purchase requisition and either approve, change or deny the purchase.

The School requires that the principal review and sign all invoices approving them for payment.

Effect: The School could be overpaying for goods and services.

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WILLIAM W. & JOSEPHINE DORN CHARTER COMMUNITY SCHOOL (Continued)

2014-003 Procurement Code (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter) (Continued)

Cause: The School did not follow the state procurement requirement and is not following their internal controls related to purchase requisitions and invoice approval.

Auditors' Recommendation: Ensure the School designates a procurement agent who would be accountable for maintaining records and ensuring State procurement policies are being implemented and followed. Additionally, the school should ensure internal controls are followed related to purchase requisition and invoice approval.

Management's Response: The School will review and update all internal controls to ensure that they follow the state procurement requirement. The School does have a designated CPO and they are currently taking the CPO exam. School procedures require authorized approval on all purchase requisitions and invoices prior to processing.

2014-004 Budget Adjustment Requests (BAR) (Noncompliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: Two of three budget adjustment requests tested were not included in the governing council meeting minutes as having been reviewed and approved prior to submitting the budget adjustment request to PED.

Criteria: As stated in the Financial System of Accounting, Internal Control Structure, Policies and Procedures manual for the School, "Once approved by the Chief Executive Officer, the proposed modified budget is submitted to the Governing Council for approval at a scheduled meeting. If the changes are approved, the approval is noted in the meeting minutes. A budget adjustment request is then submitted either electronically or manually to the authorizer and PED for approval."

Effect: When BARs are not first discussed with the Governing Council, this prevents the council from having accurate information regarding the budget in order to make decisions. They are also unaware of the balance changes that the school is requesting.

Cause: Governing Council minutes did not include details of budget modification discussion and approval.

Auditors' Recommendation: Ensure minutes include necessary detailed information pertaining to all items discussed, prior to being approved by the Council.

Management's Response: All BAR's are taken to the board for approval before submitting in OBMS. The School will ensure that the minutes are more detailed and all BAR document ID's are included.

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WILLIAM W. & JOSEPHINE DORN CHARTER COMMUNITY SCHOOL (Continued)

2014-005 Documentation of Minutes (Non-compliance in Accordance with the New Mexico State Audit Rule) (Other Matter)

Condition: During our review of the minutes for the Governance Council, we noted that formal minutes were not always maintained. We noted instances where the agendas were used as the minutes for the meeting. Additionally, minutes were not always adequately detailed.

Criteria: Per NMSA 10-15-1, the minutes shall include at a minimum the date, time, and place of the meeting, the names of members in attendance and those absent, the substance of the proposals considered and a record of any decisions and votes taken that show how each member voted.

Effect: The School is not in compliance with State Statute.

Cause: The School has had several different recorders for the minutes and the applicable requirements are not being followed consistently.

Auditors' Recommendation: The School should follow the open meeting act in regards to documenting the schools minutes.

Management's Response: The School will ensure that the board minutes are more detailed.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2014**

Public Education Department

PED 2010-02	Lack of Monitoring Plan for State Authorized Chartered Schools	Resolved
PED 2010-06	Control Deficiency over Administrative Rights within the Operating Budget Management System (OBMS)	Resolved
PED 2010-07	Capital Outlay Project Reconciliations	Resolved
PED 2011-01	Financial Close and Reporting	Repeated/Modified
PED 2011-10	Update and Test Disaster Recovery Plan	Resolved
PED 2012-02	Subrecipient Monitoring - Corrective Actions and Award Notification	Resolved
PED 2012-05	Review of Security Logs and Monitoring of Scheduled Jobs	Repeated
PED 2012-07	Maintenance of Effort (MOE) - Special Education Cluster	Resolved
PED 2013-01	Error in Funding Calculation for State Equalization Grant Funds	Repeated/Modified
PED 2013-02	Fund Balance Restatement	Repeated/Modified
PED 2013-03	Improve Other IT General Controls	Repeated/Modified
PED 2013-04	Governmental Conduct Act	Resolved
PED 2013-05	Untimely Reversions	Repeated/Modified
PED 2013-06	School Improvement Grant - Final Approved Grant Application Not Posted to Website	Repeated

Division of Vocational Rehabilitation

DVR 2012-02	Financial Close and Reporting	Repeated/Modified
DVR 2013-01	Grant Reconciliations	Resolved
DVR 2013-02	Capital Asset Maintenance	Repeated/Modified
DVR 2013-03	Over-Expended Appropriation Units	Resolved
DVR 2013-04	Activities Allowed/Allowable Cost Principles	Resolved
DVR 2013-05	Special Tests and Provisions - Consultative Examination Process	Resolved

McCurdy Charter School

CS 2012-02-PP	Internal Control Structure	Resolved
CS 2013-01-PP	Bank Accounts and Bank Reconciliations	Resolved
CS 2013-02-PP	Procurement Code and Related Contract with Vendor	Repeated/Modified
CS 2013-03-PP	Employee Contracts	Resolved
CS 2013-04-PP	Budget Reports and Cash Report	Resolved
CS 2013-05-PP	941, ERB, and RHC Contributions	Resolved
CS 2013-06-PP	NMPSIA Payments	Resolved
CS 2013-07-PP	RHC Contributions, Federal and State Withholding and Bank Overdrafts/Penalty	Resolved
CS 2013-08-PP	Payroll	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2014**

McCurdy Charter School (Continued)

CS 2013-09-PP	Budgetary Conditions	Resolved
CS 2013-10-PP	Petty Cash	Resolved

Academy of Trades and Technology

CS 2010-13-A	RHC Contributions	Resolved
CS 2012-02-A	Internal Control Structure	Repeated/Modified
CS 2013-01-A	Composition of Board	Repeated

ACE Leadership High School

CS 2011-01-B	Internal Control Structure	Resolved
CS 2012-02-B	Stale Dated Checks	Resolved
CS 2012-04-B	PED Cash Reports/BAR Report	Resolved

Albuquerque Institute of Math and Science

CS 2012-06-C	Procurement Code	Resolved
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Albuquerque School of Excellence

CS 2011-02-D	PED Budget Reports	Resolved
CS 2012-01-D	Internal Control Structure	Resolved
CS 2013-01-D	Prepayment for Services	Resolved

Aldo Leopold Charter School

CS 2011-01-E	Penalty/Late Fee	Resolved
CS 2011-02-E	RHC and ERB Contributions	Resolved
CS 2011-07-E	Stale Cash Report	Repeated/Modified
CS 2012-01-E	Internal Control Structure	Resolved
CS 2013-01-E	Stale Dated Checks	Resolved

Alma D'Arte Charter School

CS 2013-01-F	Cash Reports/Quarterly Budget to Actual Reports	Resolved
CS 2013-02-F	Contract with Vendor	Resolved
CS 2013-03-F	RHC and ERB Contributions	Resolved

Amy Biehl Charter High School

CS 2013-01-G	Budgetary Conditions	Resolved
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Cesar Chavez Community School

CS 2013-01-H	Disposition of Fixed Assets	Repeated/Modified
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Cien Aguas International School

CS 2011-01-I	Procurement Code	Resolved
CS 2013-01-I	Contracting	Repeated
CS 2013-02-I	Audit Committee	Repeated
CS 2013-03-I	Employee Contract	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2014**

Cottonwood Classical Preparatory School

CS 2009-18-J	Budget Adjustment Requests (BAR)	Resolved
CS 2011-02-J	Internal Control Structure	Resolved
CS 2013-01-J	Payroll Files	Resolved

Creative Education Prep

CS 2009-24-K	PED Cash Report	Repeated/Modified
CS 2011-01-K	Internal Control Structure	Repeated/Modified
CS 2011-02-K	Budgetary Conditions	Repeated/Modified
CS 2011-03-K	Bank Accounts	Repeated/Modified
CS 2012-03-K	ERB Contributions	Repeated/Modified
CS 2013-01-K	Procurement Code and Related Contract with Vendor	Repeated
CS 2013-02-K	IDEA-B Cash Management	Repeated

Gilbert Sena

CS 2012-04-M	PED Reports	Resolved
CS 2013-01-M	Penalties/Fees	Resolved
CS 2013-02-M	Travel & Per Diem	Resolved

J Paul Taylor Academy

CS 2013-01-O	IRS Penalties	Resolved
CS 2013-02-O	Quarterly Budget to Actual Reports	Resolved
CS 2013-03-O	Budgetary Conditions	Resolved

La Promesa Early Learning Center

CS 2013-01-P	Budget Adjustment Requests (BARs)	Resolved
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Media Arts Collaborative Charter School

CS 2013-01-Q	Employee Contract	Resolved
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New Mexico International School

FS 2013-01-R	Audit Committee Member	Resolved
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North Valley Academy

CS 2013-01-T	IRS Penalties	Resolved
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School of Dreams Academy

CS 2009-16-U	Internal Control Structure	Resolved
CS 2009-18-U	Budgetary Conditions	Resolved
CS 2013-01-U	Payroll Transactions	Resolved

South Valley Preparatory

CS 2012-02-V	Untimely Federal Reimbursement Back to Government	Resolved
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**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2014**

Southwest Intermediate Learning Center

CS 2013-01-W	Stale Dated Checks	Resolved
CS 2013-02-W	Budgetary Conditions	Resolved

Southwest Primary Learning Center

CS 2012-01-X	Budgetary Conditions	Resolved
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Southwest Secondary Learning Center

CS 2012-03-Y	Conflict of Interest/Minutes/Procurement	Resolved
CS 2013-01-Y	Budgetary Conditions	Resolved
CS 2013-02-Y	Internal Control Structure	Resolved
CS 2013-03-Y	Budgetary Conditions	Resolved

Taos Integrated School for the Arts

CS 2013-01-AA	Audit Committee Member	Resolved
CS 2013-02-AA	Travel & Per Diem	Resolved

The Ask Academy

CS 2013-01-CC	Timely Deposits	Repeated/Modified
CS 2013-02-CC	PED Quarterly Budget to Actual Reports	Resolved
CS 2013-03-CC	PED Audit Committee	Resolved

The Great Academy

CS 2013-01-DD	Personnel File Maintenance	Resolved
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The International School at Mesa Del Sol

CS 2013-01-EE	Audit Committee/Exit Conference	Repeated/Modified
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The Master's Program

CS 2012-03-FF	Audit Committee	Resolved
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The Montessori Elementary School

CS 2010-30-GG	Budgetary Conditions	Repeated
CS 2010-31-GG	Budget Adjustment Requests (BAR)	Repeated/Modified
CS 2012-01-GG	RHC Contributions	Resolved

The New America School

CS 2011-02-HH	Disbursements	Resolved
CS 12-02-HH	Internal Control Structure	Repeated/Modified
CS 2013-01-HH	Pledged Collateral	Resolved

Village Academy

CS 2011-04-JJ	Budget Adjustment Requests (BARs)	Resolved
CS 2012-01-JJ	Internal Control Structure	Resolved
CS 2012-02-JJ	Bylaws and Communication of Audit Report	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2014**

Village Academy (Continued)

CS 2013-01-JJ	Personnel File Maintenance	Resolved
CS 2013-02-JJ	Payroll Transactions	Resolved
CS 2013-03-JJ	ERB, State Requirements	Resolved
CS 2013-04-JJ	Audit Committee/Finance Committee	Resolved
CS 2013-05-JJ	PED Cash Reports/Budget Reports	Resolved

Coral Community School

CS 2012-01-KK	Penalties/Fees	Resolved
CS 2012-02-KK	Bank Reconciliations & Bank Accounts	Resolved
CS 2012-03-KK	Disbursements-Lack of Authorization	Resolved
CS 2013-01-KK	Segregation of Duties-Payroll	Resolved
CS 2013-02-KK	Budget Adjustment Requests (BARs)	Resolved
CS 2013-03-KK	ERB Contributions	Resolved
CS 2013-04-KK	Audit Committee/Finance Committee	Resolved
CS 2013-05-KK	Building Lease	Resolved
CS 2013-06-KK	Internal Control Structure	Resolved
CS 2013-07-KK	State Cash Report	Resolved

Estancia Valley Classical Academy

CS 2012-02-LL	Expenses Improperly Coded	Resolved
CS 2013-01-LL	Internal Control Structure	Resolved
CS 2013-02-LL	PED Budget Reports	Resolved

La Jicarita Community School

CS 2013-01-MM	PED Budget Reports	Resolved
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La Jicarita Community School Foundation

CS 2013-02-MM	Internal Control Structure	Repeated
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La Resolana Leadership Academy

CS 2008-89-NN	Budgetary Conditions	Resolved
CS 2013-01-NN	Procurement Code and Related Contract with Vendor	Resolved
CS 2013-02-NN	PED Cash Reports	Resolved

La Tierra Montessori School for the Arts & Sciences

CS 2013-01-OO	PED Audit Committee	Resolved
CS 2013-02-OO	Procurement Code	Resolved

Mission Achievement & Success

CS 2013-01-QQ	Timely Deposits	Resolved
CS 2013-02-QQ	Procurement Code	Resolved
CS 2013-03-QQ	Budgetary Conditions	Resolved
CS 2013-04-QQ	Penalty	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2014**

Ralph J. Bunche Academy

CS 2009-164-RR	Internal Control Structure	Repeated/Modified
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Red River Valley

CS 2012-03-SS	Internal Control Structure	Resolved
CS 2013-01-SS	Budgetary Conditions	Resolved

Sage Montessori

CS 2013-01-TT	Audit Committee Member	Resolved
CS 2013-02-TT	Procurement Code	Resolved
CS 2013-03-TT	ERB Contributions/Penalty	Resolved

Southwest Aeronautics, Mathematics, & Science Academy

CS 2013-01-UU	Procurement Code	Resolved
CS 2013-02-UU	Internal Control Structure	Resolved

The Learning Community

CS 2009-203-VV	Internal Control Structure	Repeated/Modified
CS 2011-57-VV	Penalties	Resolved
CS 2011-58-VV	Budgetary Conditions/Budget Adjustment Requests (BARs)	Resolved
CS 2013-01-VV	Audit Committee	Resolved
CS 2013-02-VV	Procurement	Repeated

The New America School - Las Cruces

CS 2012-01-WW	ERB Contributions/Penalty	Resolved
CS 2013-01-WW	Travel and Per-Diem	Resolved
CS 2013-02-WW	Audit Committee/Finance Committee	Resolved

Uplift Community School

CS 2013-01-XX	Procurement Code	Resolved
CS 2013-02-XX	Internal Control Structure	Repeated/Modified
CS 2013-03-XX	Quarterly Budget to Actual Reports	Resolved

William & Josephine Dorn Charter Community School

CS 2013-01-YY	Payroll Transactions	Resolved
CS 2013-02-YY	Procurement Code	Resolved
CS 2013-03-YY	PED Cash Reports/Quarterly Budget to Actual Reports	Resolved

Walatowa High Charter School

CS 2013-01-ZZ	Timely Deposits	Repeated
CS 2013-02-ZZ	Internal Control Structure	Resolved
CS 2013-03-ZZ	Cash/Budget Reports	Resolved
CS 2013-04-ZZ	Travel & Per Diem	Repeated/Modified

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (CONTINUED)
Year Ended June 30, 2014**

Walatowa High Charter School (Continued)

CS 2013-05-ZZ	Stale Dated Checks	Resolved
CS 2013-06-ZZ	Budget Adjustment Requests	Resolved
CS 2013-07-ZZ	Audit Committee	Resolved
CS 2013-08-ZZ	Payment of a Non-Contracted Employee	Repeated/Modified
CS 2013-09-ZZ	Procurement Code	Resolved
CS 2013-10-ZZ	Policies and Procedures	Resolved

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
EXIT CONFERENCE
June 30, 2014**

The contents of this report were discussed in the exit conference held on July 30, 2015, with the following in attendance:

Representing the Public Education Department:

Hanna Skandera	Secretary of Education
Paul Aguilar	Deputy Secretary of Finance and Operations
Marian Rael	Administrative Services Director
Eileen Marrujo-Gallegos	Director, Student Budget & Financial Analysis Division
Amelia Saiz	Audit and Accounting Bureau Chief

Representing the Division of Vocational Rehabilitation:

Michael Mulligan	Administrative Services Director
Annette Ortega	Chief Financial Officer
Sandra Alva	General Ledger & Accounts Payable Manager

Representing Axiom:

Chris Garner, CPA	Partner
John Gordon, CPA	Partner for Pattillo, Brown & Hill, LLP

The financial statements were prepared with the assistance of Axiom Certified Public Accountants & Business Advisors, LLC from the books and records of the Public Education Department.

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements

June 30, 2014

VOLUME III



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 214,014
Receivables	
Due from Other Governments	116,169
Deposits	1,620
Prepaid expenses	14,916
Total Current Assets	<u>346,719</u>

Noncurrent Assets:

Capital Assets	
Building and improvements	1,877,170
Vehicles	67,361
Furniture, Fixtures, and Equipment	315,189
Less: Accumulated Depreciation	<u>(561,003)</u>
Total Noncurrent Assets	<u>1,698,717</u>
Total Assets	<u>2,045,436</u>

LIABILITIES

Current Liabilities:

Accounts Payable	110,469
Accrued Liabilities	29,589
Compensated Absences	14,000
Current Portion of Long-Term Debt	<u>55,374</u>
Total Current Liabilities	<u>209,432</u>

Noncurrent Liabilities:

Long-Term Debt	<u>929,302</u>
Total Noncurrent Liabilities	<u>929,302</u>
Total Liabilities	<u>1,138,734</u>

NET POSITION

Net Investment in Capital Assets	714,041
Restricted	74,768
Unrestricted	<u>117,893</u>
Total Net Position	<u>\$ 906,702</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 525,580	541	87,386	-	(437,653)
Support Services:					
Students	133,378	-	-	-	(133,378)
Instruction	3,127	-	3,063	-	(64)
General Administration	22,383	-	962	-	(21,421)
School Administration	259,762	-	-	-	(259,762)
Central Services	158,055	-	-	-	(158,055)
Operation & Maintenance of Plant	282,640	-	-	-	(282,640)
Operation of Non-Instructional Services	16,140	-	-	-	(16,140)
Community Services Operations	161,800	-	161,783	-	(17)
Other Support Services	31,991	-	-	-	(31,991)
Food Services	33,059	4	34,572	-	1,517
Services	323,262	-	-	89,080	(234,182)
Total Governmental Activities	\$ 1,951,177	545	287,766	89,080	(1,573,786)
General Revenues:					
Property Taxes					\$ 82,689
State Equalization Guarantee					1,343,824
Miscellaneous					189,665
Total General Revenues					1,616,178
Change in Net Position					42,392
Net Position- Beginning					1,053,726
Restatement					(189,416)
Net Position-Beginning, Restated					864,310
Net position, Ending					\$ 906,702

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 68,153	12,206	3,411	-
Accounts Receivable				
Due from Government	-	-	-	8,082
Due from Other Funds	135,010	-	-	-
Deposits	1,500	-	-	-
Prepaid Expenditures	2,648	-	-	-
Total Assets	\$ 207,311	12,206	3,411	8,082
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 26,747	1,832	-	-
Accrued Expenses	24,719	-	-	2,690
Due to Other Funds	-	-	-	5,392
Total Liabilities	51,466	1,832	-	8,082
Fund Balances (Deficit)				
Fund Balance:				
Nonspendable:				
Deposits	1,500	-	-	-
Prepays	2,648	-	-	-
Restricted for:				
Instruction	-	10,374	-	-
Food Services	-	-	3,411	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	151,697	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balance (Deficit)	155,845	10,374	3,411	-
Total Liabilities and Fund Balances (Deficit)	\$ 207,311	12,206	3,411	8,082

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	2012 SB-66 Student Library 27107	Youth Conservation Corp 28133	Public School Capital Outlay 31200
-	-	-	-	-	-	-
9,288	186	962	23,533	3,063	58,898	8,694
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	12,268	-	-	-
<u>9,288</u>	<u>186</u>	<u>962</u>	<u>35,801</u>	<u>3,063</u>	<u>58,898</u>	<u>8,694</u>
-	-	-	1,660	64	-	-
1,325	-	-	-	-	855	-
<u>7,963</u>	<u>186</u>	<u>962</u>	<u>23,533</u>	<u>3,063</u>	<u>58,060</u>	<u>8,694</u>
<u>9,288</u>	<u>186</u>	<u>962</u>	<u>25,193</u>	<u>3,127</u>	<u>58,915</u>	<u>8,694</u>
-	-	-	-	-	-	-
-	-	-	12,268	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(1,660)	(64)	(17)	-
-	-	-	10,608	(64)	(17)	-
<u>9,288</u>	<u>186</u>	<u>962</u>	<u>35,801</u>	<u>3,063</u>	<u>58,898</u>	<u>8,694</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation (Unaudited)	Total
ASSETS				
Cash and Cash Equivalents	\$ 123,171	-	7,073	214,014
Accounts Receivable				
Due from Government	1,442	2,021	-	116,169
Due from Other Funds	-	-	-	135,010
Deposits	-	-	120	1,620
Prepaid Expenditure	-	-	-	14,916
Total Assets	<u>\$ 124,613</u>	<u>2,021</u>	<u>7,193</u>	<u>481,729</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 80,166	-	-	110,469
Accrued Expenses	-	-	-	29,589
Due to Other Funds	-	2,157	25,000	135,010
Total Liabilities	<u>80,166</u>	<u>2,157</u>	<u>25,000</u>	<u>275,068</u>
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Nonspendable:				
Deposits	-	-	120	1,620
Prepays	-	-	-	14,916
Restricted for:				
Instruction	-	-	-	10,374
Food Services	-	-	-	3,411
Capital Improvements	44,447	-	-	44,447
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	151,697
Unassigned (Deficit)	-	(136)	(17,927)	(19,804)
Total Fund Balance (Deficit)	<u>44,447</u>	<u>(136)</u>	<u>(17,807)</u>	<u>206,661</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 124,613</u>	<u>2,021</u>	<u>7,193</u>	<u>481,729</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 206,661**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	2,259,720	
Accumulated depreciation	(561,003)	
	1,698,717	1,698,717

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Long-term debt	(984,676)	
Compensated absences	(14,000)	
	(998,676)	(998,676)

Net Position-Total Governmental Activities **\$ 906,702**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Statement of Revenues, Expenditures, And Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	476	-	-	-
State Grant	1,343,824	5,422	-	-
Federal Grant	-	-	34,572	28,497
Charges for Services	541	-	4	-
Miscellaneous Income	-	-	-	-
Total Revenues	<u>1,344,841</u>	<u>5,422</u>	<u>34,576</u>	<u>28,497</u>
Expenditures:				
Current:				
Instruction	451,074	3,429	-	28,497
Support Services:				
Students	133,378	-	-	-
Instruction	-	-	-	-
General Administration	24,202	-	-	-
School Administration	259,762	-	-	-
Central Services	158,055	-	-	-
Operation & Maintenance of Plant	273,796	-	-	-
Student Transportation	7,139	-	-	-
Other Support Services Operations	20,220	-	-	-
Food Services Operations	-	-	33,059	-
Community Services Operation	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,327,626</u>	<u>3,429</u>	<u>33,059</u>	<u>28,497</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>17,215</u>	<u>1,993</u>	<u>1,517</u>	<u>-</u>
Net Changes in Fund Balances	<u>17,215</u>	<u>1,993</u>	<u>1,517</u>	<u>-</u>
Fund Balances(Deficit) - Beginning of Year	138,630	8,381	1,894	-
Restatement	-	-	-	-
Fund Balances(Deficit)- Beginning, Restated	<u>138,630</u>	<u>8,381</u>	<u>1,894</u>	<u>-</u>
Fund Balances (Deficit)- End of Year	<u>\$ 155,845</u>	<u>10,374</u>	<u>3,411</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	2012 SB-66 Student Library 27107	Youth Conservation Corp 28133	Public School Capital Outlay 31200
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	3,063	161,783	82,504
19,684	186	962	33,597	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>19,684</u>	<u>186</u>	<u>962</u>	<u>33,597</u>	<u>3,063</u>	<u>161,783</u>	<u>82,504</u>
19,684	186	962	22,989	-	-	-
-	-	-	-	-	-	-
-	-	-	-	3,127	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	161,800	-
-	-	-	-	-	-	82,504
<u>19,684</u>	<u>186</u>	<u>962</u>	<u>22,989</u>	<u>3,127</u>	<u>161,800</u>	<u>82,504</u>
-	-	-	10,608	(64)	(17)	-
-	-	-	10,608	(64)	(17)	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	10,608	(64)	(17)	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Statement of Revenues, Expenditures, And Changes In Fund Balances (Deficit) (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation (Unaudited)	Total
Revenues:				
Property Taxes	\$ 55,265	27,424	-	82,689
Local & County Grant	-	-	-	476
State Grant	-	6,576	-	1,603,172
Federal Grant	-	-	-	117,498
Charges for Services	-	-	-	545
Miscellaneous Income	-	-	189,189	189,189
Total Revenues	<u>55,265</u>	<u>34,000</u>	<u>189,189</u>	<u>1,993,569</u>
Expenditures:				
Current:				
Instruction	-	-	-	526,821
Support Services:				
Students	-	-	-	133,378
Instruction	-	-	-	3,127
General Administration	-	-	-	24,202
School Administration	-	-	-	259,762
Central Services	-	-	-	158,055
Operation & Maintenance of Plant	-	-	-	273,796
Student Transportation	-	-	-	7,139
Other Support Services Operations	-	-	11,771	31,991
Food Services Operations	-	-	-	33,059
Community Services Operation	-	-	-	161,800
Capital Outlay	80,167	34,136	184,377	381,184
Total Expenditures	<u>80,167</u>	<u>34,136</u>	<u>196,148</u>	<u>1,994,314</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(24,902)</u>	<u>(136)</u>	<u>(6,959)</u>	<u>(745)</u>
Net Changes in Fund Balances	<u>(24,902)</u>	<u>(136)</u>	<u>(6,959)</u>	<u>(745)</u>
Fund Balances(Deficit) - Beginning of Year	-	-	(10,848)	138,057
Restatement	69,349	-	-	69,349
Fund Balances(Deficit)- Beginning, Restated	69,349	-	(10,848)	207,406
Fund Balances - End of Year	<u>\$ 44,447</u>	<u>(136)</u>	<u>(17,807)</u>	<u>206,661</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficits) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (745)**

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

Change in Compensated Absences 1,241

Capital outlays to purchase or build capital assets are reported in
governmental funds as expenditures. However, for governmental
activities those costs are shown in the Statement of Net Position and
allocated over their estimated useful lives as annual depreciation
expenses in the Statement of Activities. This is the amount by which
capital outlay exceeds depreciation for the period

Capital Outlays	17,113	
Depreciation Expense	(83,388)	
	(66,275)	(66,275)

The issuance of long-term debt (e.g., bonds, notes, leases) provide
current financial resources to governmental funds, while the repayment
of the principal of long-term debt consumes the current financial
resources of governmental funds. Neither transaction, however, has any
effect on net position.

Payment of Notes Payable		108,171
		108,171

Change in Net Position-Total Governmental Activities **\$ 42,392**

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Statement of Fiduciary Assets and Liabilities- Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 7,775
Total Assets	<u>\$ 7,775</u>
LIABILITIES	
Deposits Held for Others	\$ 7,775
Total Liabilities	<u>\$ 7,775</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 8,654	731	1,610	7,775
Total Assets	<u>\$ 8,654</u>	<u>731</u>	<u>1,610</u>	<u>7,775</u>
LIABILITIES				
Deposits Held for Others	\$ 8,654	731	1,610	7,775
Total Liabilities	<u>\$ 8,654</u>	<u>731</u>	<u>1,610</u>	<u>7,775</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Academy of Trades & Technology's (ATT) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The ATT does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ATT utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	39 years
Vehicles	5 years

Capital assets for the component unit are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures, and equipment	\$ 315,189	-	-	315,189
Buildings and improvements	2,154,575	17,113	(294,518)	1,877,170
Vehicles	67,361	-	-	67,361
Less: Accumulated Depreciation	(513,368)	(83,388)	35,753	(561,003)
Net Fixed Assets	<u>\$ 2,023,757</u>	<u>(66,275)</u>	<u>(258,765)</u>	<u>1,698,717</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Operations/Plant Maintenance	\$ 74,387
Student Transportation	9,001
Total	<u>\$ 83,388</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The ATT leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$206,353. The school's minimum future payments on this lease are as follows.

Year Ending June 30:	
2015	\$ 204,753
2016	204,753
2017	204,753
2018	204,753
2019	204,753
2020-2022	471,518
Total minimum lease payments	<u>\$ 1,495,283</u>

B. Commitments

In December 2011, the Academy of Trades and Technology Foundation (ATT Foundation) entered into a lease to purchase agreement with the school for the purchase of all of the buildings and the property. As a result of the agreement, the ATT Foundation recorded a note receivable for \$1,670,000. At June 30, 2014 the balance on the note receivable was \$1,189,356 including interest at 8%. The note receivable was to be paid to the ATT Foundation over a ten-year period. As of June 30, 2014, the capital lease obligation was \$1,061,162. The note receivable and capital lease obligation have been eliminated due to the consolidation of the blended component unit.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following is an analysis of the leased property under capital leases by major classes included in summary of capital assets

<u>Classes of Property</u>	<u>Asset Balance</u>
Building	\$ 1,877,170
Less: Accumulated amortization	(199,740)
	<u>\$ 1,677,430</u>

The total outstanding long term debt as of June 30, 2014 is as follows:

Mortgage payable to bank secured by building and land; interest at bank's rate 7% due in monthly installments of \$10,851; maturing June 4, 2026	\$ 984,676
Less: current maturities	(55,374)
	<u>\$ 929,302</u>

The aggregate amounts of principal maturities of mortgage payable are as follows:

2015	\$ 55,374
2016	63,667
2017	68,269
2018	73,204
2019	78,350
2020-2024	507,147
2025-2029	138,665
Total	<u>\$ 984,676</u>

The ATT had a compensated absences balance of \$15,241 at the beginning of the fiscal year. Deletions to the balance were \$1,241 which resulted in an ending balance of \$14,000. All of this balance is considered to be current.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 4. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

2012 SB- 66 Student Library 27107	\$	64
Youth Conservation Corp 28133		17
SB-9 Capital Improvements 31700		136
Foundation (Discretely Presented Component Unit)		17,807

NOTE 5. RELATED PARTIES

The ATT created a foundation in fiscal year 2010 to purchase the building in which the ATT resides, the foundation is considered a component unit of the ATT and is presented as a blended component unit.

For the year ended June 30, 2014 it was noted that the Academy of Trades and Technology Foundation paid \$10,112 in accounting fees to the company owned by the President and only board member of the Academy of Trades and Technology Foundation.

NOTE 6. PRIOR PERIOD ADJUSTMENTS

In the fund statements, the HB 33 Capital Improvements fund had a prior period adjustment. In the FY 2013 financial statements, the school had an amount in deferred inflows that should have been recognized as revenue. The result was an adjustment to increase beginning fund balance by \$69,349 in the FY 2014 financial statements.

The School also had a prior period adjustment in the government wide statements. The school had capitalized a building that was actually under an operating lease. The building should not have been capitalized in the financial statements. The adjustment that resulted from the removal of the building from the financial statements was a decrease to beginning net position of \$258,765.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	476	476
State Grant	1,425,513	1,343,824	1,343,824	-
Federal Grant	-	-	-	-
Charges for Services	202	202	541	339
Total Revenues	<u>1,425,715</u>	<u>1,344,026</u>	<u>1,344,841</u>	<u>815</u>
Expenditures:				
Current:				
Instruction	526,862	488,205	453,666	34,539
Support Services:				
Students	145,315	143,894	132,113	11,781
General Administration	47,000	43,421	22,949	20,472
School Administration	249,930	271,555	259,114	12,441
Central Services	159,756	160,716	158,055	2,661
Operation & Maintenance of Plant	427,709	342,871	269,853	73,018
Student Transportation	8,000	12,000	6,966	5,034
Other Support Services Operations	-	20,221	20,220	1
Total Expenditures	<u>1,564,572</u>	<u>1,482,883</u>	<u>1,322,936</u>	<u>159,947</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(138,857)</u>	<u>(138,857)</u>	<u>21,905</u>	<u>160,762</u>
Other Financing Sources (Uses):				
Designated Cash	138,857	138,857	-	(138,857)
Total Other Financing Sources (Uses):	<u>138,857</u>	<u>138,857</u>	<u>-</u>	<u>(138,857)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>21,905</u>	<u>21,905</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>138,630</u>	<u>138,630</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>160,535</u>	<u>160,535</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(4,690)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 17,215</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State grant	\$ -	4,471	4,818	347
Total Revenues	<u>-</u>	<u>4,471</u>	<u>4,818</u>	<u>347</u>
Expenditures:				
Current:				
Instruction	-	13,457	1,597	11,860
Total Expenditures	<u>-</u>	<u>13,457</u>	<u>1,597</u>	<u>11,860</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(8,986)</u>	<u>3,221</u>	<u>12,207</u>
Other Financing Sources (Uses):				
Designated Cash	-	8,986	-	(8,986)
Total Other Financing Sources (Uses):	<u>-</u>	<u>8,986</u>	<u>-</u>	<u>(8,986)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,221</u>	<u>3,221</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,381</u>	<u>8,381</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,602</u>	<u>11,602</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			604	
Adjustments to Expenditures			(1,832)	
NET CHANGE IN FUND BALANCE			<u>\$ 1,993</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	32,500	34,572	2,072
Charges for Services	-	-	4	4
Total Revenues	<u>-</u>	<u>32,500</u>	<u>34,576</u>	<u>2,076</u>
Expenditures:				
Current:				
Food Services Operations	-	34,394	33,059	1,335
Total Expenditures	<u>-</u>	<u>34,394</u>	<u>33,059</u>	<u>1,335</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,894)</u>	<u>1,517</u>	<u>3,411</u>
Other Financing Sources (Uses):				
Designated Cash	-	1,894	-	(1,894)
Total Other Financing Sources (Uses):	<u>-</u>	<u>1,894</u>	<u>-</u>	<u>(1,894)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,517</u>	<u>1,517</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,894</u>	<u>1,894</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,411</u>	<u>3,411</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,517</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 13,667	29,635	29,405	(230)
Total Revenues	<u>13,667</u>	<u>29,635</u>	<u>29,405</u>	<u>(230)</u>
Expenditures:				
Current:				
Instruction	12,530	28,498	28,497	1
Support Services:				
General Administration	137	137	-	137
Total Expenditures	<u>12,667</u>	<u>28,635</u>	<u>28,497</u>	<u>138</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>1,000</u>	<u>1,000</u>	<u>908</u>	<u>(92)</u>
Net Changes in Fund Balances	<u>1,000</u>	<u>1,000</u>	<u>908</u>	<u>(92)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 1,000</u>	<u>1,000</u>	<u>908</u>	<u>(92)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(908)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	19,684	17,482	(2,202)
Total Revenues	<u>-</u>	<u>19,684</u>	<u>17,482</u>	<u>(2,202)</u>
Expenditures:				
Current:				
Instruction	-	19,684	19,684	-
Total Expenditures	<u>-</u>	<u>19,684</u>	<u>19,684</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(2,202)</u>	<u>(2,202)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,202)</u>	<u>(2,202)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,202)</u>	<u>(2,202)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>2,202</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Risk Pool 24120
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	186	189	3
Total Revenues	<u>-</u>	<u>186</u>	<u>189</u>	<u>3</u>
Expenditures:				
Current:				
Instruction	-	186	186	-
Total Expenditures	<u>-</u>	<u>186</u>	<u>186</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3</u>	<u>3</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(3)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amount</u>	<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Federal grant	\$ 1,218	5,072	-	(5,072)
Total Revenues	<u>1,218</u>	<u>5,072</u>	<u>-</u>	<u>(5,072)</u>
Expenditures:				
Current:				
Instruction	1,218	5,072	962	4,110
Total expenditures	<u>1,218</u>	<u>5,072</u>	<u>962</u>	<u>4,110</u>
Deficiency of Revenues				
Under Expenditures	-	-	(962)	(962)
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(962)</u>	<u>(962)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(962)</u>	<u>(962)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			962	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I School Improvement 24162
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	35,941	83,298	47,357
Total Revenues	<u>-</u>	<u>35,941</u>	<u>83,298</u>	<u>47,357</u>
Expenditures:				
Current:				
Instruction	-	35,941	33,597	2,344
Total Expenditures	<u>-</u>	<u>35,941</u>	<u>33,597</u>	<u>2,344</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>49,701</u>	<u>49,701</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>49,701</u>	<u>49,701</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>49,701</u>	<u>49,701</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			(49,701)	
Adjustments to expenditures			10,608	
NET CHANGE IN FUND BALANCE			<u>\$ 10,608</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ 3,144	3,144	-	(3,144)
Total Revenues	<u>3,144</u>	<u>3,144</u>	<u>-</u>	<u>(3,144)</u>
Expenditures:				
Current:				
Support Services:	-	-		
Instruction	3,144	3,144	3,127	17
Total Expenditures	<u>3,144</u>	<u>3,144</u>	<u>3,127</u>	<u>17</u>
Deficiency of Revenues				
Under Expenditures	-	-	(3,127)	(3,127)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,127)</u>	<u>(3,127)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,127)</u>	<u>(3,127)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,063	
NET CHANGE IN FUND BALANCE			<u>\$ (64)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
Youth Conversation Corp 28133
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 43,079	177,184	112,722	(64,462)
Total Revenues	<u>43,079</u>	<u>177,184</u>	<u>112,722</u>	<u>(64,462)</u>
Expenditures:				
Current:				
Community Service Operations	43,079	177,184	161,800	15,384
Total expenditures	<u>43,079</u>	<u>177,184</u>	<u>161,800</u>	<u>15,384</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(49,078)</u>	<u>(49,078)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(49,078)</u>	<u>(49,078)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(49,078)</u>	<u>(49,078)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>49,061</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (17)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	82,504	73,810	(8,694)
Total Revenues	<u>-</u>	<u>82,504</u>	<u>73,810</u>	<u>(8,694)</u>
Expenditures:				
Current:				
Capital outlay	-	82,504	82,504	-
Total Expenditures	<u>-</u>	<u>82,504</u>	<u>82,504</u>	<u>-</u>
Deficiency of Revenues				
Under expenditures	-	-	(8,694)	(8,694)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,694)</u>	<u>(8,694)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,694)</u>	<u>(8,694)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			8,694	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	47,431	53,823	6,392
Total Revenues	<u>-</u>	<u>47,431</u>	<u>53,823</u>	<u>6,392</u>
Expenditures:				
Current:				
Capital Outlay	-	116,780	80,167	36,613
Total Expenditures	<u>-</u>	<u>116,780</u>	<u>80,167</u>	<u>36,613</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(69,349)</u>	<u>(26,344)</u>	<u>43,005</u>
Other Financing Sources (Uses):				
Designated Cash	-	69,349	-	(69,349)
Total Other Financing Sources (Uses):	<u>-</u>	<u>69,349</u>	<u>-</u>	<u>(69,349)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(26,344)</u>	<u>(26,344)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(26,344)</u>	<u>(26,344)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,442	
NET CHANGE IN FUND BALANCE			<u>\$ (24,902)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Schedule of Budgetary Comparisons - Budgetary Basis
 SB-9 Capital Improvements 31700
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ 26,363	26,363	25,403	(960)
State Grant	6,576	6,576	6,576	-
Total Revenues	<u>32,939</u>	<u>32,939</u>	<u>31,979</u>	<u>(960)</u>
Expenditures:				
Current:				
Capital Outlay	32,939	34,960	34,136	824
Total Expenditures	<u>32,939</u>	<u>34,960</u>	<u>34,136</u>	<u>824</u>
Deficiency of Revenues Under Expenditures	-	(2,021)	(2,157)	(136)
Other Financing Sources (Uses):				
Designated Cash	-	2,021	-	(2,021)
Total Other Financing Sources (Uses):	<u>-</u>	<u>2,021</u>	<u>-</u>	<u>(2,021)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,157)</u>	<u>(2,157)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,157)</u>	<u>(2,157)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,021	
NET CHANGE IN FUND BALANCE			<u>\$ (136)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo	FN AR2636	3138NY4W2	2/1/2043	\$ 23,056
				\$ 23,056

Total Cash per Schedule of Cash Accounts:	\$	243,791
Less: FDIC coverage:		(243,791)
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		23,056
Balance Over Collateralized:	\$	23,056
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Academy of Trades & Technology
 Schedule of Cash Accounts
 June 30, 2014

Bank Account Type	Wells Fargo
Checking - Operational Account	\$ 236,718
Checking - Foundation	7,073
<i>Total on Deposit</i>	243,791
Reconciling Items	(22,002)
Reconciled Balance June 30, 2014	221,789
Less Agency Funds	(7,775)
<i>Total Cash</i>	\$ 214,014

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Academy of Trades & Technology
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instruct. Fund 23000
Cash, June 30, 2013	\$ 138,630	8,985	1,894	8,654
Add:				
2013-14 revenues	<u>1,344,841</u>	<u>4,818</u>	<u>34,576</u>	<u>731</u>
Total Cash Available	1,483,471	13,803	36,470	9,385
Less:				
2013-14 expenditures	(1,322,936)	(1,597)	(33,059)	(1,610)
Receivables/Payables	42,628	-	-	-
Outstanding Loans	<u>(135,010)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u><u>68,153</u></u>	<u><u>12,206</u></u>	<u><u>3,411</u></u>	<u><u>7,775</u></u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	-	-	-	-
Cash Per Books	<u><u>68,153</u></u>	<u><u>12,206</u></u>	<u><u>3,411</u></u>	<u><u>7,775</u></u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>87,692</u>	<u>(1,832)</u>	<u>-</u>	<u>(7,775)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u><u>\$ 155,845</u></u>	<u><u>10,374</u></u>	<u><u>3,411</u></u>	<u><u>-</u></u>

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

Federal Projects Account 24000	State Account 27000	State Direct Account 28000	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
(89,499)	-	(9,837)	-	69,349	-	128,176
<u>130,374</u>	<u>-</u>	<u>112,722</u>	<u>73,810</u>	<u>53,823</u>	<u>31,979</u>	<u>1,787,674</u>
40,875	-	102,885	73,810	123,172	31,979	1,915,850
(82,926)	(3,127)	(161,800)	(82,504)	(80,167)	(34,136)	(1,803,862)
4,015	-	838	-	80,166	-	127,647
<u>38,036</u>	<u>3,063</u>	<u>58,060</u>	<u>-</u>	<u>-</u>	<u>2,157</u>	<u>(33,694)</u>
<u>-</u>	<u>(64)</u>	<u>(17)</u>	<u>(8,694)</u>	<u>123,171</u>	<u>-</u>	<u>205,941</u>
-	64	17	8,694	-	-	8,775
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,171</u>	<u>-</u>	<u>214,716</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:						(7,775)
Balance Sheet-Foundation:						7,073
						<u>\$ 214,014</u>
<u>10,608</u>	<u>(64)</u>	<u>(17)</u>	<u>-</u>	<u>(78,724)</u>	<u>(136)</u>	<u>9,753</u>
<u>10,608</u>	<u>(64)</u>	<u>(17)</u>	<u>-</u>	<u>44,447</u>	<u>(136)</u>	<u>224,468</u>
Balance Sheet-Foundation:						(17,807)
						<u>\$ 206,661</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 963,170
Receivables	
Due from Other Governments	279,239
Prepays	540,265
Total Current Assets	<u>1,782,674</u>

Noncurrent Assets

Capital Assets	
Land	1,196,050
Construction in Progress	510,020
Furniture, Fixtures, and Equipment	44,835
Less: Accumulated Depreciation	(15,390)
Total Noncurrent Assets	<u>1,735,515</u>

Total Assets

3,518,189

LIABILITIES

Current Liabilities

Accounts Payable	270,922
Accrued Liabilities	182
Accrued Interest Payable	2,000
Unearned Revenue	575,000
Current Portion of Long-term Debt	194,125
Total Current Liabilities	<u>1,042,229</u>

Noncurrent Liabilities:

Long-Term Debt	884,384
Total Noncurrent Liabilities	<u>884,384</u>

Total Liabilities

1,926,613

NET POSITION

Investment in Capital Assets	657,006
Restricted	1,135,307
Unrestricted (Deficit)	(200,737)
Total Net Position	<u>\$ 1,591,576</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Statement of Activates
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,193,198	4,355	120,724	-	(1,068,119)
Support Services:					
Students	381,363	-	-	-	(381,363)
Instruction	40,908	-	220,726	-	179,818
General Administration	576,412	-	330,000	-	(246,412)
School Administration	216,490	-	-	-	(216,490)
Central Services	153,621	-	-	-	(153,621)
Operation & Maintenance of Plant	202,563	-	-	-	(202,563)
Operation of Non-Instructional Services	-	-	7,411	-	7,411
Community Services Operations	9,848	-	-	-	(9,848)
Other Support Services	49,020	-	-	-	(49,020)
Food Services	92,025	1,650	65,366	-	(25,009)
Facilities Materials, Supplies & Other Services	338,484	-	-	211,256	(127,228)
Debt Service - Interest	2,000	-	-	-	(2,000)
Total Governmental Activities	\$ 3,255,932	6,005	744,227	211,256	(2,294,444)
General Revenues:					
Property Taxes					\$ 77,491
State Equalization Guarantee					2,580,286
Interest Income					57,988
Miscellaneous					106,384
Total General Revenues					<u>2,822,149</u>
Change in Net Position					527,705
Net Position, Beginning					<u>1,063,871</u>
Net Position, Ending					<u>\$ 1,591,576</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 307,709	24,840	-	-	-
Investments	-	-	-	-	-
Accounts Receivable					
Due from Government	-	-	7,713	28,517	9,669
Due from Other Funds	132,698	-	-	-	-
Prepays	534,015	-	-	-	-
<i>Total Assets</i>	<u>\$ 974,422</u>	<u>24,840</u>	<u>7,713</u>	<u>28,517</u>	<u>9,669</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 111,374	-	6,648	-	-
Accrued Expenditures	122	-	-	-	60
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	15,624	28,517	9,609
Total Liabilities	<u>111,496</u>	<u>-</u>	<u>22,272</u>	<u>28,517</u>	<u>9,669</u>
<i>Fund Balances (Deficit):</i>					
Fund Balance (Deficit):					
Non Spendable:					
Prepaid Expenditures	534,015	-	-	-	-
Restricted for:					
Instruction	-	24,840	-	-	-
General Administration	-	-	-	-	-
Student Instruction	-	-	-	-	-
School Administration	-	-	-	-	-
Capital Improvement	-	-	-	-	-
Unassigned (Deficit):	328,911	-	(14,559)	-	-
Total Fund Balance (Deficit)	<u>862,926</u>	<u>24,840</u>	<u>(14,559)</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 974,422</u>	<u>24,840</u>	<u>7,713</u>	<u>28,517</u>	<u>9,669</u>

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Kellogg Foundation 26121	Daniels Fund 26141	Partners For Developing Futures 26208	Workforce Readiness 27179	Private Dir Grants (Categorical) 29102	McCune Charitable Foundation 29114
-	301,097	45,620	945	-	68,798	129,059
-	-	-	-	-	-	-
-	-	-	-	50,961	300	-
-	-	-	-	-	-	-
6,250	-	-	-	-	-	-
<u>6,250</u>	<u>301,097</u>	<u>45,620</u>	<u>945</u>	<u>50,961</u>	<u>69,098</u>	<u>129,059</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	50,961	-	-
-	-	-	-	<u>50,961</u>	-	-
6,250	-	-	-	-	-	-
-	-	-	945	-	-	-
-	301,097	-	-	-	-	129,059
-	-	45,620	-	-	-	-
-	-	-	-	-	69,098	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,250</u>	<u>301,097</u>	<u>45,620</u>	<u>945</u>	<u>-</u>	<u>69,098</u>	<u>129,059</u>
<u>6,250</u>	<u>301,097</u>	<u>45,620</u>	<u>945</u>	<u>50,961</u>	<u>69,098</u>	<u>129,059</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Balance Sheets - Governmental Funds - Continued
June 30, 2014

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Foundation	Total
ASSETS				
Cash and Cash Equivalents	\$ -	77,491	7,611	963,170
Investments	-	-	-	301,181
Accounts Receivable				
Due from Government	27,987	-	154,092	279,239
Due from Other Funds	-	-	-	132,698
Prepays	-	-	-	540,265
<i>Total Assets</i>	<u>\$ 27,987</u>	<u>77,491</u>	<u>161,703</u>	<u>1,915,372</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	53,108	99,792	270,922
Accrued Expenditures	-	-	-	182
Unearned Revenues	-	-	575,000	575,000
Due to Other Funds	27,987	-	-	132,698
Total Liabilities	<u>27,987</u>	<u>53,108</u>	<u>674,792</u>	<u>978,802</u>
<i>Fund Balances (Deficit):</i>				
Fund Balance (Deficit):				
Non Spendable:				
Prepaid Expenditures	-	-	-	540,265
Restricted for:				
Instruction	-	-	-	25,785
General Administration	-	-	-	430,156
Student Instruction	-	-	-	45,620
School Administration	-	-	-	69,098
Capital Improvement	-	24,383	-	24,383
Unassigned (Deficit):	-	-	(513,089)	(198,737)
Total Fund Balance (Deficit)	<u>-</u>	<u>24,383</u>	<u>(513,089)</u>	<u>936,570</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 27,987</u>	<u>77,491</u>	<u>161,703</u>	<u>1,915,372</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 936,570**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	1,750,905	
Accumulated Depreciation	(15,390)	
	1,735,515	1,735,515

Long-term liabilities are not due in the current period and,
 therefore, are not reported in the funds.

Interest Payable	(2,000)	
Long-Term Debt	(1,078,509)	
	(1,080,509)	(1,080,509)

Net Position-Total Governmental Activities **\$ 1,591,576**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	7,411	-	-	-	-
State Grant	2,580,286	18,265	-	-	-
Federal Grant	-	-	65,366	71,250	49,474
Charges for Services	4,355	-	1,650	-	-
Miscellaneous	-	-	-	-	-
Investment Income	880	-	-	-	-
Total Revenues	<u>2,592,932</u>	<u>18,265</u>	<u>67,016</u>	<u>71,250</u>	<u>49,474</u>
Expenditures:					
Current:					
Instruction	1,048,081	3,393	-	71,250	49,474
Support Services:					
Students	379,304	-	-	-	-
Instruction	12,771	-	-	-	-
General Administration	412,070	-	-	-	-
School Administration	192,757	-	-	-	-
Central Services	131,452	-	-	-	-
Accounts Payable	201,221	-	-	-	-
Other Support Services Operations	-	-	-	-	-
Unearned Revenues	-	-	92,025	-	-
Due to Other Funds	9,848	-	-	-	-
Capital Outlay	74,120	-	-	-	-
Total Expenditures	<u>2,461,624</u>	<u>3,393</u>	<u>92,025</u>	<u>71,250</u>	<u>49,474</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>131,308</u>	<u>14,872</u>	<u>(25,009)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):					
Proceeds from Capital Related Debt	-	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>131,308</u>	<u>14,872</u>	<u>(25,009)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>731,618</u>	<u>9,968</u>	<u>10,450</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 862,926</u>	<u>24,840</u>	<u>(14,559)</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Kellogg Foundation 26121	Daniels Fund 26141	Partners For Developing Futures 26208	Workforce Readiness 27179	Private Dir Grants (Categorical) 29102	McCune Charitable Foundation 29114
-	-	-	-	-	-	-
-	200,000	100,000	-	-	51,500	130,000
-	-	-	-	50,961	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	200,000	100,000	-	50,961	51,500	130,000
-	-	-	-	21,000	-	-
-	-	1,519	-	-	540	-
-	-	27,597	-	-	540	-
-	135,978	5,857	-	-	-	22,507
-	949	16,591	-	-	5,252	941
-	14,867	2,816	-	-	-	4,486
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	29,961	-	-
-	151,794	54,380	-	50,961	6,332	27,934
-	48,206	45,620	-	-	45,168	102,066
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	48,206	45,620	-	-	45,168	102,066
6,250	252,891	-	945	-	23,930	26,993
6,250	301,097	45,620	945	-	69,098	129,059

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Continued
Governmental Funds
For the Year Ended June 30, 2014

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Foundation	Total
Revenues:				
Property Taxes	\$ -	77,491	-	77,491
Local & County Grant	-	-	-	488,911
State Grant	211,256	-	-	2,860,768
Federal Grant	-	-	-	186,090
Charges for Services	-	-	-	6,005
Miscellaneous	-	-	106,384	106,384
Investment Income	-	-	57,108	57,988
Total Revenues	<u>211,256</u>	<u>77,491</u>	<u>163,492</u>	<u>3,783,637</u>
Expenditures:				
Current:				
Instruction	-	-	-	1,193,198
Support Services:				
Students	-	-	-	381,363
Instruction	-	-	-	40,908
General Administration	-	-	-	576,412
School Administration	-	-	-	216,490
Central Services	-	-	-	153,621
Operation & Maintenance of Plant	-	-	-	201,221
Other Support Services Operations	-	-	49,020	49,020
Food Services Operations	-	-	-	92,025
Community Services Operations	-	-	-	9,848
Capital Outlay	211,256	53,108	1,706,070	2,074,515
Total Expenditures	<u>211,256</u>	<u>53,108</u>	<u>1,755,090</u>	<u>4,988,621</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>24,383</u>	<u>(1,591,598)</u>	<u>(1,204,984)</u>
Other Financing Sources (Uses):				
Proceeds from Capital Related Debt	-	-	1,078,509	1,078,509
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>1,078,509</u>	<u>1,078,509</u>
Net Changes in Fund Balances	<u>-</u>	<u>24,383</u>	<u>(513,089)</u>	<u>(126,475)</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,063,045</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>24,383</u>	<u>(513,089)</u>	<u>936,570</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (126,475)**

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

Change in Long-Term Debt (1,080,509)

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	1,736,031	
Depreciation Expense	(1,342)	
	1,734,689	1,734,689

Change in Net Position-Total Governmental Activities **\$ 527,705**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ACE Leadership High School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 2,547</u>
Total Assets	<u><u>\$ 2,547</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 2,547</u>
Total Liabilities	<u><u>\$ 2,547</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ACE Leadership High School
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 2,072	1,888	1,413	2,547
Total Assets	<u>\$ 2,072</u>	<u>1,888</u>	<u>1,413</u>	<u>2,547</u>
LIABILITIES				
Deposits Held for Others	\$ 2,072	1,888	1,413	2,547
Total Liabilities	<u>\$ 2,072</u>	<u>1,888</u>	<u>1,413</u>	<u>2,547</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The ACE Leadership High School’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ACE Leadership High School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5 - 10 years

Capital assets for the Ace Leadership High School are recorded in the statement of net position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets not being Depreciated:</i>				
Construction in Progress	\$ -	510,020	-	510,020
Land	-	1,196,050	-	1,196,050
Total	-	1,706,070	-	1,706,070
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	14,874	29,961	-	44,835
<i>Less: Accumulated Depreciation</i>	<i>(14,048)</i>	<i>(1,342)</i>	<i>-</i>	<i>(15,390)</i>
Total	826	28,619	-	29,445
Capital Assets, Net	\$ 826	1,734,689	-	1,735,515

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS – (CONTINUED)

Depreciation for the year ended June 30, 2014 was expensed to the following functions:

Operations/Plant Maintenance	\$	1,342
Total	\$	<u>1,342</u>

NOTE 2. LONG-TERM DEBT

The Foundation notes payable as of June 30, 2014 is as follows:

Land Note – 1224 Bellamah LLC @ 7.01% Matures 9/30/2019	\$	200,000
Note – Charter Schools Dev Corporation @ 3% Matures 2/1/2016		800,000
Total Notes Payable	\$	<u>1,000,000</u>

The aggregate amounts of principal maturities and interest of notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 115,616	62,006	177,622
2016	120,176	57,310	177,486
2017	21,633	52,809	74,442
2018	23,198	51,245	74,443
2019	24,874	49,568	74,442
2020	694,503	12,116	706,619
Total	\$ <u>1,000,000</u>	<u>285,054</u>	<u>1,285,054</u>

The Ace Leadership High School Foundation has secured a construction loan with New Mexico Bank & Trust for \$3,600,000. The total amount of borrowings against the loan at June 30, 2014, was \$78,509 and is included in the current portion of Long term debt on the Statement of Net Position. The loan bears interest at 4.75% and matures March 30, 2024. The proceeds will be utilized for the construction of the school building.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2014.

Year Ending June 30:	
2015	\$ 515,073
2016	549,589
2017	448,685
2018	450,918
2019	453,262
2020- 2024	2,842,523
2025- 2029	2,336,470
2030	824,052
<i>Total Minimum Lease Payments</i>	<u>8,420,572</u>
Less: Amount Representing Interest	<u>(3,355,961)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 5,064,611</u>

B. Contingencies

In March 2014, the ACE Leadership High School Foundation entered into a lease to purchase agreement with the school for the purchase of the building and the property. As a result of the agreement, the ACE Foundation recorded a note receivable for \$5,064,611. At June 30, 2014 the balance on the note receivable was \$5,064,611, including interest at 5.088%. The note receivable was to be paid to the ACE Foundation over a twenty-year period. As of June 30, 2014, the capital lease obligation was \$5,064,611. The note receivable and capital lease obligation have been eliminated due to the consolidation of the blended component unit.

The following is an analysis of the leased property under capital leases by major classes included in the summary of capital assets.

<u>Classes of Property</u>	<u>Asset Balance</u>
Land	\$ 1,196,050
Construction in Progress	510,020
Total	<u>\$ 1,706,070</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Notes to the Financial Statements
June 30, 2014**

NOTE 4. RELATED PARTIES

The ACE Leadership School has a sublease with AGC, who formed the school. Total payments to AGC were \$94,093

ACE Leadership High School Foundation leases the building that the school resides in. The Foundation is considered a component unit of the ACE Leadership High School and is presented as a blended component unit.

In March 2014 the Foundation Board President loaned the Foundation \$10,000 which was repaid in the same month.

NOTE 5. DEFICIENT FUND BALANCE

At June 30, 2014, the ACE Leadership High School Foundation has a deficit fund balances of \$513,089. This deficit will be eliminated as unearned revenue received by the Foundation is earned in the next fiscal year.

The ACE Leadership High School also had a deficit fund balance in the following fund at June 30, 2014:

Food Services - 21000	\$	(14,559)
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The ACE Leadership High School is addressing the negative balances and is planning on taking the appropriate actions to eliminate the negative balances.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	8,291	8,291
State Grant	2,669,402	2,580,287	2,580,286	(1)
Charges for Services	3,000	3,000	4,355	1,355
Total Revenues	<u>2,672,402</u>	<u>2,583,287</u>	<u>2,592,932</u>	<u>9,645</u>
Expenditures:				
Current:				
Instruction	1,208,507	1,153,092	1,041,657	111,435
Support Services:				
Students	388,544	388,544	379,304	9,240
Instruction	31,000	21,000	12,771	8,229
General Administration	458,963	458,963	412,070	46,893
School Administration	191,372	191,372	192,757	(1,385)
Central Services	176,556	176,556	131,452	45,104
Operation & Maintenance of Plant	158,500	793,800	634,252	159,548
Community Services Operations	19,000	19,000	9,848	9,152
Capital Outlay	785,000	126,000	74,120	51,880
Total Expenditures	<u>3,417,442</u>	<u>3,328,327</u>	<u>2,888,231</u>	<u>440,096</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(745,040)</u>	<u>(745,040)</u>	<u>(295,299)</u>	<u>449,741</u>
Other Financing Sources (Uses):				
Designated Cash	745,040	745,040	-	(745,040)
Total Other Financing Sources (Uses):	<u>745,040</u>	<u>745,040</u>	<u>-</u>	<u>(745,040)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(295,299)</u>	<u>(295,299)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>731,618</u>	<u>731,618</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>436,319</u>	<u>436,319</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>426,607</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 131,308</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ACE Leadership High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	15,238	18,265	3,027
Total Revenues	<u>-</u>	<u>15,238</u>	<u>18,265</u>	<u>3,027</u>
Expenditures:				
Current:				
Instruction	1,368	16,606	3,393	13,213
Total Expenditures	<u>1,368</u>	<u>16,606</u>	<u>3,393</u>	<u>13,213</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,368)</u>	<u>(1,368)</u>	<u>14,872</u>	<u>16,240</u>
Other Financing Sources (Uses):				
Designated Cash	1,368	1,368	-	(1,368)
Total Other Financing Sources (Uses):	<u>1,368</u>	<u>1,368</u>	<u>-</u>	<u>(1,368)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>14,872</u>	<u>14,872</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>9,968</u>	<u>9,968</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>24,840</u>	<u>24,840</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 14,872</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 65,000	85,000	62,913	(22,087)
Charges for Services	-	-	1,650	1,650
Total Revenues	<u>65,000</u>	<u>85,000</u>	<u>64,563</u>	<u>(20,437)</u>
Expenditures:				
Current:				
Food Services Operations	66,921	86,921	85,377	1,544
Total Expenditures	<u>66,921</u>	<u>86,921</u>	<u>85,377</u>	<u>1,544</u>
Deficiency of Revenues				
Under Expenditures	(1,921)	(1,921)	(20,814)	(18,893)
Other Financing Sources (Uses):				
Designated Cash	1,921	1,921	-	(1,921)
Total Other Financing Sources (Uses):	<u>1,921</u>	<u>1,921</u>	<u>-</u>	<u>(1,921)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(20,814)</u>	<u>(20,814)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>11,906</u>	<u>11,906</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,908)</u>	<u>(8,908)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,453	
Adjustments to Expenditures			(6,648)	
NET CHANGE IN FUND BALANCE			<u>\$ (25,009)</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 65,495	82,488	74,904	(7,584)
Total Revenues	<u>65,495</u>	<u>82,488</u>	<u>74,904</u>	<u>(7,584)</u>
Expenditures:				
Current:				
Instruction	65,495	82,488	71,250	11,238
Total Expenditures	<u>65,495</u>	<u>82,488</u>	<u>71,250</u>	<u>11,238</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,654</u>	<u>3,654</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,654</u>	<u>3,654</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,654</u>	<u>3,654</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(3,654)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ACE Leadership High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 46,984	49,474	39,805	(9,669)
Total Revenues	<u>46,984</u>	<u>49,474</u>	<u>39,805</u>	<u>(9,669)</u>
Expenditures:				
Current:				
Instruction	46,984	49,474	49,474	-
Total Expenditures	<u>46,984</u>	<u>49,474</u>	<u>49,474</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(9,669)	(9,669)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(9,669)</u>	<u>(9,669)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(9,669)</u>	<u>(9,669)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			9,669	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Kellogg Foundation 26121
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	200,000	200,000
Total Revenues	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
Expenditures:				
Current:				
Support Services:				
General Administration	122,366	122,366	135,978	(13,612)
School Administration	94,669	94,669	949	93,720
Central Services	15,235	15,235	14,867	368
Total Expenditures	<u>232,270</u>	<u>232,270</u>	<u>151,794</u>	<u>80,476</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(232,270)</u>	<u>(232,270)</u>	<u>48,206</u>	<u>280,476</u>
Other Financing Sources (Uses):				
Designated Cash	232,270	232,270	-	(232,270)
Total Other Financing Sources (Uses):	<u>232,270</u>	<u>232,270</u>	<u>-</u>	<u>(232,270)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>48,206</u>	<u>48,206</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>252,891</u>	<u>252,891</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>301,097</u>	<u>301,097</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 48,206</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Daniels Fund 26141
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	100,000	100,000	-
Total Revenues	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	-	1,519	(1,519)
Instruction	-	55,000	27,597	27,403
General Administration	-	5,000	5,857	(857)
School Administration	-	35,000	16,591	18,409
Central Services	-	5,000	2,816	2,184
Total Expenditures	<u>-</u>	<u>100,000</u>	<u>54,380</u>	<u>45,620</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>45,620</u>	<u>45,620</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>45,620</u>	<u>45,620</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>45,620</u>	<u>45,620</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 45,620</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ACE Leadership High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Workforce Readiness 27179
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	51,000	-	(51,000)
Total Revenues	<u>-</u>	<u>51,000</u>	<u>-</u>	<u>(51,000)</u>
Expenditures:				
Current:				
Instruction	-	21,000	21,000	-
Capital Outlay	-	30,000	29,961	39
Total Expenditures	<u>-</u>	<u>51,000</u>	<u>50,961</u>	<u>39</u>
<i>Deficiency of Revenues Under Expenditures</i>	-	-	(50,961)	(50,961)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(50,961)</u>	<u>(50,961)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(50,961)</u>	<u>(50,961)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			50,961	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	51,500	51,500	-
Total Revenues	<u>-</u>	<u>51,500</u>	<u>51,500</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	-	540	(540)
Instruction	-	51,500	540	50,960
General Administration	15,160	15,160	-	15,160
School Administration	11,207	11,207	5,252	5,955
Total Expenditures	<u>26,367</u>	<u>77,867</u>	<u>6,332</u>	<u>71,535</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(26,367)</u>	<u>(26,367)</u>	<u>45,168</u>	<u>71,535</u>
Other Financing Sources (Uses):				
Designated Cash	26,367	26,367	-	(26,367)
Total Other Financing Sources (Uses):	<u>26,367</u>	<u>26,367</u>	<u>-</u>	<u>(26,367)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>45,168</u>	<u>45,168</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>45,168</u>	<u>45,168</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 45,168</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	130,000	130,000
Total Revenues	<u>-</u>	<u>-</u>	<u>130,000</u>	<u>130,000</u>
Expenditures:				
Current:				
Support Services:				
General Administration	35,000	35,000	22,507	12,493
School Administration	10,040	10,040	941	9,099
Central Services	8,000	8,000	4,486	3,514
Total Expenditures	<u>53,040</u>	<u>53,040</u>	<u>27,934</u>	<u>25,106</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(53,040)</u>	<u>(53,040)</u>	<u>102,066</u>	<u>155,106</u>
Other Financing Sources (Uses):				
Designated Cash	53,040	53,040	-	(53,040)
Total Other Financing Sources (Uses):	<u>53,040</u>	<u>53,040</u>	<u>-</u>	<u>(53,040)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>102,066</u>	<u>102,066</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>102,066</u>	<u>102,066</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 102,066</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	211,256	183,269	(27,987)
Total Revenues	<u>-</u>	<u>211,256</u>	<u>183,269</u>	<u>(27,987)</u>
Expenditures:				
Capital Outlay	-	211,256	211,256	-
Total Expenditures	<u>-</u>	<u>211,256</u>	<u>211,256</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(27,987)	(27,987)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(27,987)</u>	<u>(27,987)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(27,987)</u>	<u>(27,987)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			27,987	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ACE Leadership High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 SB-9 Capital Improvements 31700
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 82,017	82,017	77,491	(4,526)
Local & County Grant	6,873	6,873	-	(6,873)
State Grant	-	6,546	-	(6,546)
Total Revenues	<u>88,890</u>	<u>95,436</u>	<u>77,491</u>	<u>(17,945)</u>
Expenditures:				
Capital Outlay	88,890	95,436	-	95,436
Total Expenditures	<u>88,890</u>	<u>95,436</u>	<u>-</u>	<u>95,436</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>77,491</u>	<u>77,491</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>77,491</u>	<u>77,491</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>77,491</u>	<u>77,491</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(53,108)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 24,383</u>	

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Suntrust Bank	GO School Bonds	264430KB4	9/1/2018	\$ 475,000
Suntrust Bank	GO School Bonds	473750CF2	3/1/2016	315,000
Suntrust Bank	GO School Bonds	6405756M2	9/1/2029	300,000
				<u>\$ 1,090,000</u>

Total Cash per Schedule of Cash Accounts:	\$ 965,717
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	715,717

Collateral Requirement:	357,859
Pledged Collateral Held by Pledging Financial Institution:	<u>1,090,000</u>
Balance Over Collateralized:	<u>\$ 732,142</u>

Balance Uninsured and Uncollateralized at June 30, 2014: \$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ACE Leadership High School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>New Mexico Bank and Trust</u>
Checking - Operational Account	\$ 661,989
Checking - Activity Account	2,547
Saving - High Yield	<u>301,181</u>
<i>Total on Deposit</i>	965,717
Reconciling Items	<u>-</u>
Reconciled Balance June 30, 2014	<u>965,717</u>
Less: Agency Funds	<u>(2,547)</u>
<i>Total Cash</i>	<u><u>\$ 963,170</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ACE Leadership High School
Cash Reconciliation
June 30, 2014

	Operational Account <u>11000</u>	Instructional Materials <u>14000</u>	Food Services <u>21000</u>	Non-Instructional Support <u>23000</u>	Federal Projects Account <u>24000</u>
Cash, June 30, 2013	\$ 731,618	9,968	10,450	2,072	6,250
Add:					
2013-14 Revenues	<u>2,592,932</u>	<u>18,265</u>	<u>64,563</u>	<u>1,888</u>	<u>114,709</u>
Total Cash Available	3,324,550	28,233	75,013	3,960	120,959
Less:					
2013-14 Expenditures	(2,888,231)	(3,393)	(85,377)	(1,413)	(120,724)
Receivables/Payables	4,088	-	89	-	(235)
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,126)</u>
Cash June 30, 2014	<u>440,407</u>	<u>24,840</u>	<u>(10,275)</u>	<u>2,547</u>	<u>(38,126)</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	<u>(132,698)</u>	<u>-</u>	<u>10,275</u>	<u>-</u>	<u>38,126</u>
Cash per Books	<u>307,709</u>	<u>24,840</u>	<u>-</u>	<u>2,547</u>	<u>-</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	555,217	-	(14,559)	(2,547)	6,250
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 862,926</u>	<u>24,840</u>	<u>(14,559)</u>	<u>-</u>	<u>6,250</u>

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

Local Grants Account 26000	State Account 27000	Local/ State Account 29000	Public School Capital Outlay 31200	Capital Improvement SB9 31700	Total
253,836	-	50,923	-	-	1,065,117
300,000	-	181,500	183,269	77,491	3,534,617
553,836		232,423	183,269	77,491	4,599,734
(206,174)	(50,961)	(34,266)	(211,256)	-	(3,601,795)
-	-	-	-	-	3,942
-	-	(300)	-	-	(38,426)
347,662	(50,961)	197,857	(27,987)	77,491	963,455
-	50,961	-	27,987	-	(5,349)
347,662	-	197,857	-	77,491	958,106
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:					(2,547)
Add: Foundation*					7,611
Balance Sheets - Governmental Funds:					\$ 963,170
-	-	300	-	(53,108)	491,553
347,662	-	198,157	-	24,383	1,449,659
Add: Foundation*					(513,089)
Balance Sheets - Governmental Funds:					\$ 936,570

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Net Position
June 30, 2014

ASSETS

Current assets:

Cash	\$ 1,960,351
Receivables	
Due from other governments	94,499
Other	97,142
Prepaid expenses	14,684
Total current assets	<u>2,166,676</u>

Noncurrent assets:

Capital assets	
Furniture, fixtures, and equipment	77,553
Less: accumulated depreciation	<u>(20,241)</u>
Total noncurrent assets	<u>57,312</u>

Total Assets	<u>2,223,988</u>
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LIABILITIES

Current liabilities:

Accounts payable	44,273
Accrued liabilities	149,826
Unearned revenue	175,000
Total current liabilities	<u>369,099</u>

Total liabilities	<u>369,099</u>
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NET POSITION

Investment in capital assets	57,312
Restricted	701,307
Unrestricted	<u>1,096,270</u>
Total net position	<u>\$ 1,854,889</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,422,848	1,709	76,170	-	(1,344,969)
Support services:					
Students	190,956	-	-	-	(190,956)
Instruction	28,774	-	-	-	(28,774)
General Administration	63,031	-	-	-	(63,031)
School Administration	337,157	-	-	-	(337,157)
Central Services	163,752	-	-	-	(163,752)
Operation & Maintenance of Plant	130,701	-	-	-	(130,701)
Operation of Non-Instructional Services	-	-	-	-	-
Community Services Operations	-	-	-	-	-
Other support services	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services	850	-	-	-	(850)
Facilities Materials, Supplies & Other Services	235,707	-	-	419,488	183,781
Total governmental activities	<u>\$ 2,573,776</u>	<u>1,709</u>	<u>76,170</u>	<u>419,488</u>	<u>(2,076,409)</u>
General Revenues:					
State Equalization Guarantee					<u>\$ 2,567,547</u>
Total general revenues					<u>2,567,547</u>
Change in net position					491,138
Net position-beginning					919,507
Restatement (Note 5)					444,244
Net position - beginning, restated					<u>1,363,751</u>
Net position-ending					<u>\$ 1,854,889</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Intel Foundation 26116	Daniels Fund 26141	Dual Credit Instructional Materials 27103	2010 G.O. Bond Student Library 27106
ASSETS						
<i>Assets</i>						
Cash and Cash Equivalents	\$ 1,105,180	55,117	-	175,000	-	-
Accounts receivable						
Due from Government	-	3,481	-	-	3,405	2,238
Due from other funds	88,047	-	-	-	-	-
Other	97,142	-	-	-	-	-
Prepays	10,184	4,500	-	-	-	-
Total Assets	<u>\$ 1,300,553</u>	<u>63,098</u>	<u>-</u>	<u>175,000</u>	<u>3,405</u>	<u>2,238</u>
LIABILITIES AND FUND BALANCES						
<i>Liabilities:</i>						
Accounts payable	\$ 44,273	-	-	-	-	-
Accrued expenses	149,826	-	-	-	-	-
Unspent grant revenue	-	-	-	175,000	-	-
Due to other funds	-	-	-	-	3,405	2,238
Total Liabilities	<u>194,099</u>	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>3,405</u>	<u>2,238</u>
<i>Fund Balances</i>						
Fund Balance:						
Non Spendable						
Prepaid expenditures	10,184	4,500	-	-	-	-
Restricted for:						
Student instruction	-	58,598	-	-	-	-
Capital improvements	-	-	-	-	-	-
Assigned to:						
Subsequent years expenditures and other programs	1,053,586	-	-	-	-	-
Unassigned	42,684	-	-	-	-	-
Total Fund Balance	<u>1,106,454</u>	<u>63,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 1,300,553</u>	<u>63,098</u>	<u>-</u>	<u>175,000</u>	<u>3,405</u>	<u>2,238</u>

The accompanying notes are an integral part of these financial statements

2010 GOB Instructional Materials 27171	Next Generation Assessments 27185	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total Government
-	-	-	-	625,054	-	1,960,351
-	-	44,864	27,510	2,971	10,030	94,499
-	-	-	-	-	-	88,047
-	-	-	-	-	-	97,142
-	-	-	-	-	-	14,684
<u>-</u>	<u>-</u>	<u>44,864</u>	<u>27,510</u>	<u>628,025</u>	<u>10,030</u>	<u>2,254,723</u>
-	-	-	-	-	-	44,273
-	-	-	-	-	-	149,826
-	-	-	-	-	-	175,000
-	-	44,864	27,510	-	10,030	88,047
<u>-</u>	<u>-</u>	<u>44,864</u>	<u>27,510</u>	<u>-</u>	<u>10,030</u>	<u>457,146</u>
-	-	-	-	-	-	14,684
-	-	-	-	-	-	58,598
-	-	-	-	628,025	-	628,025
-	-	-	-	-	-	1,053,586
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,684</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>628,025</u>	<u>-</u>	<u>1,797,577</u>
<u>-</u>	<u>-</u>	<u>44,864</u>	<u>27,510</u>	<u>628,025</u>	<u>10,030</u>	<u>2,254,723</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position
June 30, 2014

Fund balances - total governmental funds **\$ 1,797,577**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	77,553	
Accumulated depreciation	(20,241)	
	57,312	57,312

Net Position-total Governmental Activities **\$ 1,854,889**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Intel Foundation 26116	Daniels Fund 26141	Dual Credit Instructional Materials 27103	2010 G.O. Bond Student Library 27106
Revenues:						
Property Taxes	\$ -	-	-	-	-	-
Local & County Grant	40,774	-	-	-	-	-
State grant	2,567,547	20,162	-	-	7,846	2,238
Charges for services	1,709	-	-	-	-	-
Total Revenues	<u>2,610,030</u>	<u>20,162</u>	<u>-</u>	<u>-</u>	<u>7,846</u>	<u>2,238</u>
Expenditures:						
Current:						
Instruction	1,378,994	32,041	1,563	-	7,846	-
Support Services:						
Students	190,956	-	-	-	-	-
Instruction	22,652	-	-	-	-	2,238
General Administration	61,652	-	-	-	-	-
School Administration	337,157	-	-	-	-	-
Central Services	163,752	-	-	-	-	-
Operation & Maintenance of Plant	124,191	-	-	-	-	-
Food Services Operations	850	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>2,280,204</u>	<u>32,041</u>	<u>1,563</u>	<u>-</u>	<u>7,846</u>	<u>2,238</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>329,826</u>	<u>(11,879)</u>	<u>(1,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Operating transfers	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>329,826</u>	<u>(11,879)</u>	<u>(1,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning of year	776,628	74,977	1,563	-	-	-
Restatement (Note 5)	-	-	-	-	-	-
Fund balances - restated	<u>776,628</u>	<u>74,977</u>	<u>1,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 1,106,454</u>	<u>63,098</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

2010 GOB Instructional Materials 27171	Next Generation Assessments 27185	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	-	-	-	183,781	-	183,781
-	-	-	-	-	-	40,774
1,266	3,884	179,455	46,222	-	10,030	2,838,650
-	-	-	-	-	-	1,709
<u>1,266</u>	<u>3,884</u>	<u>179,455</u>	<u>46,222</u>	<u>183,781</u>	<u>10,030</u>	<u>3,064,914</u>
1,266	-	-	-	-	-	1,421,710
-	-	-	-	-	-	190,956
-	3,884	-	-	-	-	28,774
-	-	-	-	-	-	61,652
-	-	-	-	-	-	337,157
-	-	-	-	-	-	163,752
-	-	-	-	-	-	124,191
-	-	-	-	-	-	850
-	-	179,455	46,222	-	10,030	235,707
<u>1,266</u>	<u>3,884</u>	<u>179,455</u>	<u>46,222</u>	<u>-</u>	<u>10,030</u>	<u>2,564,749</u>
-	-	-	-	183,781	-	500,165
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	183,781	-	500,165
-	-	-	-	-	-	853,168
-	-	-	-	444,244	-	444,244
-	-	-	-	444,244	-	1,297,412
-	-	-	-	628,025	-	1,797,577

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net change in fund balances-total governmental funds **\$ 500,165**

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

Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays	-	
Depreciation expense	(9,027)	
	(9,027)	(9,027)

Change in Net Position-total Governmental Activities **\$ 491,138**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in bank	\$ 16,205
Total Assets	<u>\$ 16,205</u>
LIABILITIES	
Deposits held for others	\$ 16,205
Total Liabilities	<u>\$ 16,205</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Institute for Mathematics & Science
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in bank	\$ 12,322	11,902	8,019	16,205
Total assets	<u>\$ 12,322</u>	<u>11,902</u>	<u>8,019</u>	<u>16,205</u>
LIABILITIES				
Deposits held for others	\$ 12,322	11,902	8,019	16,205
Total liabilities	<u>\$ 12,322</u>	<u>11,902</u>	<u>8,019</u>	<u>16,205</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The Albuquerque Institute for Mathematics & Science (AIMS) defines capital assets as assets with an initial, individual cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture and equipment	5 years
-------------------------	---------

NOTE 2. RECEIVABLES

Receivables as of June 30, 2014 are as follows:

Due from other governments:	
Instructional Materials	\$ 3,481
Dual Credit Instructional Materials	3,405
2010 G.O. Bond Student Library	2,238
Public School Capital Outlay	44,864
Special Capital Outlay - State	27,510
SB-9 Capital Improvements	<u>10,030</u>
Total due from other governments	\$ <u>91,528</u>
Due from local taxes:	
HB 33 Capital Improvements	\$ <u>2,971</u>
Total property taxes receivable	\$ <u>2,971</u>
Other:	
Due from IRS	\$ <u>97,142</u>
Total other receivables	\$ <u>97,142</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Notes to the Financial Statements
June 30, 2014

NOTE 3. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture and equipment	\$ 77,553	-	-	77,553
<i>Total</i>	<u>77,553</u>	-	-	<u>77,553</u>
<i>Less: Accumulated Depreciation</i>	(11,214)	(9,027)	-	(20,241)
Capital assets, net	<u>\$ 66,339</u>	<u>(9,027)</u>	-	<u>57,312</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 1,139
General Administration	1,378
Operation & Maintenance of Plant	<u>6,510</u>
Total	<u>\$ 9,027</u>

NOTE 4. COMMITMENTS AND LIABILITIES

AIMS leased buildings and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$243,070. AIMS' minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 242,390
2016	11,970
2017	<u>11,970</u>
Total minimum lease payments	<u>\$ 266,330</u>

NOTE 5. PRIOR PERIOD ADJUSTMENT

Statement of Activities. Net position at June 30, 2013 was restated in the amount of \$444,244. This restatement was due to the incorrect classification of HB 33 property tax revenue as deferred revenue, instead of restricted cash in prior years.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	-	3,948	3,948
State grant	2,377,121	2,567,548	2,567,547	(1)
Charges for services	-	-	1,709	1,709
Total Revenues	2,377,121	2,567,548	2,573,204	5,656
Expenditures:				
Current:				
Instruction	1,988,130	2,182,561	1,395,176	787,385
Support Services:				
Students	154,715	238,439	190,956	47,483
Instruction	30,000	30,000	22,652	7,348
General Administration	54,200	65,500	65,085	415
School Administration	339,643	353,798	337,677	16,121
Central Services	177,662	192,292	165,296	26,996
Operation & Maintenance of Plant	367,771	278,954	127,706	151,248
Food Services Operations	-	1,600	850	750
Total expenditures	3,112,121	3,343,144	2,305,398	1,037,746
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<i>(735,000)</i>	<i>(775,596)</i>	<i>267,806</i>	<i>1,043,402</i>
Other financing sources (uses):				
Designated Cash	735,000	775,596	-	(775,596)
Total other financing sources (uses):	735,000	775,596	-	(775,596)
Net changes in fund balances	-	-	267,806	267,806
Cash or fund balances - beginning of year	-	-	832,578	832,578
Cash or fund balances - end of year	\$ -	-	1,100,384	1,100,384
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures			\$ 36,826	
Adjustments to revenues			25,194	
Adjustments to expenditures				
NET CHANGE IN FUND BALANCE			\$ 329,826	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 16,682	20,163	20,758	595
Total Revenues	<u>16,682</u>	<u>20,163</u>	<u>20,758</u>	<u>595</u>
Expenditures:				
Current:				
Instruction	87,460	91,063	36,541	54,522
Total expenditures	<u>87,460</u>	<u>91,063</u>	<u>36,541</u>	<u>54,522</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(70,778)</u>	<u>(70,900)</u>	<u>(15,783)</u>	<u>55,117</u>
Other financing sources (uses):				
Designated Cash	70,778	70,900	-	(70,900)
Total other financing sources (uses):	<u>70,778</u>	<u>70,900</u>	<u>-</u>	<u>(70,900)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(15,783)</u>	<u>(15,783)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>70,900</u>	<u>70,900</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>55,117</u>	<u>55,117</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ (596)	
Adjustments to expenditures			<u>4,500</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (11,879)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Intel Foundation 26116
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State grant	-	-	-	-
Federal grant	-	-	-	-
Charges for services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	1,564	1,563	1
Total expenditures	<u>-</u>	<u>1,564</u>	<u>1,563</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(1,564)</u>	<u>(1,563)</u>	<u>1</u>
Other financing sources (uses):				
Designated Cash	-	1,564	-	(1,564)
Total other financing sources (uses):	<u>-</u>	<u>1,564</u>	<u>-</u>	<u>(1,564)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(1,563)</u>	<u>(1,563)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>1,563</u>	<u>1,563</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,563)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Daniels Fund 26141
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State grant	-	-	-	-
Federal grant	-	-	-	-
Charges for services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	165,000	165,000	-	165,000
Operation & Maintenance of Plant	10,000	10,000	-	10,000
Total expenditures	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>175,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(175,000)</u>	<u>(175,000)</u>	<u>-</u>	<u>175,000</u>
Other financing sources (uses):				
Designated Cash	175,000	175,000	-	(175,000)
Total other financing sources (uses):	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>175,000</u>	<u>175,000</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>175,000</u>	<u>175,000</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	7,846	4,441	(3,405)
Total Revenues	<u>-</u>	<u>7,846</u>	<u>4,441</u>	<u>(3,405)</u>
Expenditures:				
Current:				
Instruction	-	7,846	7,846	-
Total expenditures	<u>-</u>	<u>7,846</u>	<u>7,846</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,405)</u>	<u>(3,405)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(3,405)</u>	<u>(3,405)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(3,405)</u>	<u>(3,405)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ 3,405	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
2010 G.O. Bond Student Library 27106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 2,238	2,238	-	(2,238)
Total Revenues	<u>2,238</u>	<u>2,238</u>	<u>-</u>	<u>(2,238)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	2,238	2,238	2,238	-
Total expenditures	<u>2,238</u>	<u>2,238</u>	<u>2,238</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,238)</u>	<u>(2,238)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(2,238)</u>	<u>(2,238)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(2,238)</u>	<u>(2,238)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ 2,238	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GOB Instructional Materials 27171
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	1,267	7,306	6,039
Total Revenues	<u>-</u>	<u>1,267</u>	<u>7,306</u>	<u>6,039</u>
Expenditures:				
Current:				
Instruction	-	1,267	1,266	1
Total expenditures	<u>-</u>	<u>1,267</u>	<u>1,266</u>	<u>1</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>6,040</u>	<u>6,040</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>6,040</u>	<u>6,040</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(6,040)</u>	<u>(6,040)</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ (6,040)	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State grant	\$ -	3,884	3,884	-
Total Revenues	<u>-</u>	<u>3,884</u>	<u>3,884</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	3,884	3,884	-
Total expenditures	<u>-</u>	<u>3,884</u>	<u>3,884</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	179,455	134,591	(44,864)
Total Revenues	<u>-</u>	<u>179,455</u>	<u>134,591</u>	<u>(44,864)</u>
Expenditures:				
Current:				
Capital outlay	-	179,455	179,455	-
Total expenditures	<u>-</u>	<u>179,455</u>	<u>179,455</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(44,864)</u>	<u>(44,864)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(44,864)</u>	<u>(44,864)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(44,864)</u>	<u>(44,864)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ 44,864	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay - State 31400
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 50,000	50,000	18,712	(31,288)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>18,712</u>	<u>(31,288)</u>
Expenditures:				
Current:				
Capital outlay	50,000	50,000	46,222	3,778
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>46,222</u>	<u>3,778</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(27,510)</u>	<u>(27,510)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(27,510)</u>	<u>(27,510)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(27,510)</u>	<u>(27,510)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ 27,510	
Adjustments to expenditures				
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Improvements 31600
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 145,674	145,674	180,810	35,136
Total Revenues	<u>145,674</u>	<u>145,674</u>	<u>180,810</u>	<u>35,136</u>
Expenditures:				
Capital outlay	564,390	589,918	-	589,918
Total expenditures	<u>564,390</u>	<u>589,918</u>	<u>-</u>	<u>589,918</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(418,716)</u>	<u>(444,244)</u>	<u>180,810</u>	<u>625,054</u>
Other financing sources (uses):				
Designated Cash	418,716	444,244	-	(444,244)
Total other financing sources (uses):	<u>418,716</u>	<u>444,244</u>	<u>-</u>	<u>(444,244)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>180,810</u>	<u>180,810</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>444,244</u>	<u>444,244</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>625,054</u>	<u>625,054</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ 2,971	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 183,781</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 6,894	14,061	-	(14,061)
Total Revenues	<u>6,894</u>	<u>14,061</u>	<u>-</u>	<u>(14,061)</u>
Expenditures:				
Current:				
Capital outlay	6,894	14,061	10,030	4,031
Total expenditures	<u>6,894</u>	<u>14,061</u>	<u>10,030</u>	<u>4,031</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,030)</u>	<u>(10,030)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(10,030)</u>	<u>(10,030)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(10,030)</u>	<u>(10,030)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures			\$ 10,030	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
New Mexico Bank & Trust	Municipal Bond	412707EB3	8/15/2026	\$ 1,829,449
				<u>\$ 1,829,449</u>
Total cash in bank per Schedule of Cash Accounts:				\$ 1,999,290
Less: FDIC coverage:				<u>(250,000)</u>
Uninsured public funds:				1,749,290
Collateral requirement:				874,645
Pledged collateral held by pledging financial institution:				<u>1,829,449</u>
Balance over-collateralized:				<u>\$ 954,804</u>
Balance uninsured and uncollateralized at June 30, 2014:				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Institute for Mathematics & Science
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>New Mexico Bank & Trust</u>
Checking - Operational Account	\$ 1,999,290
<i>Total on Deposit</i>	1,999,290
Reconciling Items	<u>(22,734)</u>
Reconciled Balance June 30, 2014	<u>1,976,556</u>
Less Agency Funds	<u>(16,205)</u>
<i>Total Cash</i>	<u><u>\$ 1,960,351</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Institute for Mathematics & Science
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Federal Flowthrough 24000	Local Grants 26000
Cash, June 30, 2013	\$ 775,595	70,900	(4,499)	176,563
Add:				
2013-14 revenues	<u>2,573,204</u>	<u>20,758</u>	<u>4,499</u>	<u>-</u>
Total cash available	3,348,799	91,658	-	176,563
Less:				
2013-14 expenditures	(2,305,398)	(36,541)	-	(1,563)
Receivables/Payables	-	-	-	-
Outstanding Loans	<u>(88,047)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>955,354</u>	<u>55,117</u>	<u>-</u>	<u>175,000</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>149,826</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>1,105,180</u>	<u>55,117</u>	<u>-</u>	<u>175,000</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>1,274</u>	<u>7,981</u>	<u>-</u>	<u>(175,000)</u>
Fund Balance , Modified Accrual Basis	<u>\$ 1,106,454</u>	<u>63,098</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

State Flowthrough 27000	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improv. HB 33 31600	Capital Improv. SB9 31700	Total
(6,040)	-	-	444,244	-	1,456,763
<u>15,631</u>	<u>134,591</u>	<u>18,712</u>	<u>180,810</u>	<u>-</u>	<u>2,948,205</u>
9,591	134,591	18,712	625,054	-	4,404,968
(15,234)	(179,455)	(46,222)	-	(10,030)	(2,594,443)
-	-	-	-	-	-
-	-	-	-	-	(88,047)
<u>(5,643)</u>	<u>(44,864)</u>	<u>(27,510)</u>	<u>625,054</u>	<u>(10,030)</u>	<u>1,722,478</u>
<u>5,643</u>	<u>44,864</u>	<u>27,510</u>	<u>-</u>	<u>10,030</u>	<u>237,873</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>625,054</u>	<u>-</u>	<u>1,960,351</u>
-	-	-	2,971	-	(162,774)
-	-	-	628,025	-	1,797,577

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 297,242
Receivables	
Due from Other Governments	120,406
Total Current Assets	<u>417,648</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	61,562
Less: Accumulated Depreciation	<u>(29,412)</u>
Total Noncurrent Assets	<u>32,150</u>
Total Assets	<u>449,798</u>

LIABILITIES

Current Liabilities:

Accounts Payable	18,506
Accrued Liabilities	<u>133,977</u>
Total Current Liabilities	<u>152,483</u>
Total Liabilities	<u>152,483</u>

NET POSITION

Investment in Capital Assets	32,150
Restricted	130,978
Unrestricted	<u>134,187</u>
Total Net Position	<u>\$ 297,315</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,217,854	370	249,363	-	(968,121)
Support Services:					
Students	85,409	-	-	-	(85,409)
Instruction	8,878	-	-	-	(8,878)
General Administration	37,683	-	-	-	(37,683)
School Administration	216,609	-	-	-	(216,609)
Central Services	100,029	-	-	-	(100,029)
Operation & Maintenance of Plant	484,481	-	-	-	(484,481)
Food Services	61,862	8,932	43,366	-	(9,564)
Facilities Materials, Supplies & Other Services	227,535	-	-	227,535	-
Total Governmental Activities	\$ 2,440,340	9,302	292,729	227,535	(1,910,774)
			General Revenues:		
			State Equalization Guarantee	\$ 2,003,723	
			Miscellaneous	14,433	
			Total General Revenues	2,018,156	
			Change in Net Position	107,382	
			Net Position, Beginning	189,933	
			Net Position, Ending	\$ 297,315	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Balance Sheets
Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 166,255	41,905	-	-	-
Accounts Receivable					
Due from Government	-	-	-	39,611	20,995
Due from Other Funds	109,789	-	-	-	-
<i>Total Assets</i>	<u>\$ 276,044</u>	<u>41,905</u>	<u>-</u>	<u>39,611</u>	<u>20,995</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 18,506	-	-	-	-
Accrued Expenditures	123,351	-	-	4,772	5,845
Due to Other Funds	-	-	-	34,839	15,150
Total Liabilities	<u>141,857</u>	<u>-</u>	<u>-</u>	<u>39,611</u>	<u>20,995</u>
Fund Balances:					
Fund Balance					
Restricted for:					
Instruction	-	41,905	-	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures & Other Programs	134,187	-	-	-	-
Total Fund Balances	<u>134,187</u>	<u>41,905</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 276,044</u>	<u>41,905</u>	<u>-</u>	<u>39,611</u>	<u>20,995</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	CNM Foundation 26207	2010 GO Bonds 27106	2010 GOB Instructional Materials 27171	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	9	-	-	-	89,073	297,242
668	1,533	-	715	-	56,884	-	120,406
-	-	-	-	-	-	-	109,789
<u>668</u>	<u>1,533</u>	<u>9</u>	<u>715</u>	<u>-</u>	<u>56,884</u>	<u>89,073</u>	<u>527,437</u>
-	-	-	-	-	-	-	18,506
-	-	9	-	-	-	-	133,977
668	1,533	-	715	-	56,884	-	109,789
<u>668</u>	<u>1,533</u>	<u>9</u>	<u>715</u>	<u>-</u>	<u>56,884</u>	<u>-</u>	<u>262,272</u>
-	-	-	-	-	-	-	41,905
-	-	-	-	-	-	89,073	89,073
-	-	-	-	-	-	-	134,187
-	-	-	-	-	-	89,073	265,165
<u>668</u>	<u>1,533</u>	<u>9</u>	<u>715</u>	<u>-</u>	<u>56,884</u>	<u>89,073</u>	<u>527,437</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Reconciliation of the Balance Sheets - Governmental Funds
To Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 265,165**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	61,562	
Accumulated Depreciation	(29,412)	
	32,150	32,150

Net Position-Total Governmental Activities **\$ 297,315**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ 250	-	-	-	-
State Grant	2,017,906	17,790	-	-	-
Federal Grant	-	-	43,366	67,761	51,164
Fees	370	-	8,932	-	-
Total Revenues	2,018,526	17,790	52,298	67,761	51,164
Expenditures:					
Current:					
Instruction	1,080,108	6,671	-	67,761	43,541
Support Services:					
Students	77,118	-	-	-	7,623
Instruction	8,163	-	-	-	-
General Administration	37,683	-	-	-	-
School Administration	212,490	-	-	-	-
Central Services	100,029	-	-	-	-
Operation & Maintenance of Plant	481,993	-	-	-	-
Food Services Operations	9,564	-	52,298	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	2,007,148	6,671	52,298	67,761	51,164
<i>Excess of Revenues Over Expenditures</i>	<u>11,378</u>	<u>11,119</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>11,378</u>	<u>11,119</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>122,809</u>	<u>30,786</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 134,187</u>	<u>41,905</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	CNM Foundation 26207	2010 GO Bonds 27106	2010 GOB Instructional Materials 27171	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	1,750	-	-	-	89,073	91,073
-	-	-	715	12,061	227,535	-	2,276,007
668	8,381	-	-	-	-	-	171,340
-	-	-	-	-	-	-	9,302
668	8,381	1,750	715	12,061	227,535	89,073	2,547,722
-	4,262	1,750	-	12,061	-	-	1,216,154
668	-	-	-	-	-	-	85,409
-	-	-	715	-	-	-	8,878
-	-	-	-	-	-	-	37,683
-	4,119	-	-	-	-	-	216,609
-	-	-	-	-	-	-	100,029
-	-	-	-	-	-	-	481,993
-	-	-	-	-	-	-	61,862
-	-	-	-	-	227,535	-	227,535
668	8,381	1,750	715	12,061	227,535	-	2,436,152
-	-	-	-	-	-	89,073	111,570
-	-	-	-	-	-	89,073	111,570
-	-	-	-	-	-	-	153,595
-	-	-	-	-	-	89,073	265,165

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 111,570**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period.

Capital Outlays	-	
Depreciation Expense	(4,188)	
	(4,188)	(4,188)

Change in Net Position-Total Governmental Activities **\$ 107,382**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 19,564
Total Assets	<u>\$ 19,564</u>
LIABILITIES	
Deposits Held for Others	\$ 19,564
Total Liabilities	<u>\$ 19,564</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 20,441	34,906	35,783	19,564
Total Assets	<u>\$ 20,441</u>	<u>34,906</u>	<u>35,783</u>	<u>19,564</u>
LIABILITIES				
Deposits Held for Others	\$ 20,441	34,906	35,783	19,564
Total Liabilities	<u>\$ 20,441</u>	<u>34,906</u>	<u>35,783</u>	<u>19,564</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Notes to the Financial Statements
 June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Albuquerque School of Excellence (ASE) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The ASE does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ASE utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures & Equipment	3-20 years
---------------------------------	------------

Capital assets for the ASE are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 61,562	-	-	61,562
Less: Accumulated Depreciation	(25,224)	(4,188)	-	(29,412)
Net Capital Assets	<u>\$ 36,338</u>	<u>(4,188)</u>	<u>-</u>	<u>32,150</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following function:

Instruction	\$ 1,700
Operations/Plant Maintenance	<u>2,488</u>
Total	<u><u>\$ 4,188</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Notes to the Financial Statements
June 30, 2014**

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

ASE leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$517,952. The school's minimum future payments on this are as follows:

Year Ending June 30:	
2015	\$ 577,952
2016	<u>97,992</u>
Total:	<u>\$ 675,944</u>

NOTE 4. RELATED PARTIES

Business manager services for the School are performed by the Vigil Group which performs services for multiple state charter schools.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	250	250	-
State Grant	2,339,746	2,017,906	2,017,906	-
Fees	-	-	370	370
Total Revenues	<u>2,339,746</u>	<u>2,018,156</u>	<u>2,018,526</u>	<u>370</u>
Expenditures:				
Current:				
Instruction	1,434,598	1,126,835	1,079,535	47,300
Support Services:				
Students	155,499	105,499	77,632	27,867
Instruction	12,200	12,200	7,713	4,487
General Administration	42,500	42,500	36,408	6,092
School Administration	174,564	233,747	212,490	21,257
Central Services	115,799	115,799	101,924	13,875
Operation & Maintenance of Plant	492,820	486,405	455,396	31,009
Food Services Operations	10,000	10,000	9,564	436
Total Expenditures	<u>2,437,980</u>	<u>2,132,985</u>	<u>1,980,662</u>	<u>152,323</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(98,234)</u>	<u>(114,829)</u>	<u>37,864</u>	<u>152,693</u>
Other Financing Sources (Uses):				
Designated Cash	98,234	114,829	-	(114,829)
Total Other Financing Sources (Uses):	<u>98,234</u>	<u>114,829</u>	<u>-</u>	<u>(114,829)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>37,864</u>	<u>37,864</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>122,809</u>	<u>122,809</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>160,673</u>	<u>160,673</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(26,486)	
NET CHANGE IN FUND BALANCE			<u>\$ 11,378</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 16,896	16,896	22,822	5,926
Total Revenues	<u>16,896</u>	<u>16,896</u>	<u>22,822</u>	<u>5,926</u>
Expenditures:				
Current:				
Instruction	<u>27,641</u>	<u>28,237</u>	<u>6,671</u>	<u>21,566</u>
Total Expenditures	<u>27,641</u>	<u>28,237</u>	<u>6,671</u>	<u>21,566</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,745)</u>	<u>(11,341)</u>	<u>16,151</u>	<u>27,492</u>
Other Financing Sources (Uses):				
Designated Cash	<u>10,745</u>	<u>11,341</u>	<u>-</u>	<u>(11,341)</u>
Total Other Financing Sources (Uses):	<u>10,745</u>	<u>11,341</u>	<u>-</u>	<u>(11,341)</u>
Net Changes in Fund balances	<u>-</u>	<u>-</u>	<u>16,151</u>	<u>16,151</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25,754</u>	<u>25,754</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>41,905</u>	<u>41,905</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(5,032)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 11,119</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 58,000	58,000	43,366	(14,634)
Charges for Services	16,000	16,000	8,932	(7,068)
Total Revenues	<u>74,000</u>	<u>74,000</u>	<u>52,298</u>	<u>(21,702)</u>
Expenditures:				
Food Services Operations	74,000	74,000	52,298	21,702
Total Expenditures	<u>74,000</u>	<u>74,000</u>	<u>52,298</u>	<u>21,702</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 67,860	67,766	60,834	(6,932)
Total Revenues	<u>67,860</u>	<u>67,766</u>	<u>60,834</u>	<u>(6,932)</u>
Expenditures:				
Current:				
Instruction	67,860	67,766	67,761	5
Total Expenditures	<u>67,860</u>	<u>67,766</u>	<u>67,761</u>	<u>5</u>
Deficiency of Revenues Under Expenditures	-	-	(6,927)	(6,927)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,927)</u>	<u>(6,927)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(32,684)</u>	<u>(32,684)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(39,611)</u>	<u>(39,611)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			6,927	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 50,369	53,140	36,903	(16,237)
Total Revenues	<u>50,369</u>	<u>53,140</u>	<u>36,903</u>	<u>(16,237)</u>
Expenditures:				
Current:				
Instruction	42,746	45,517	43,541	1,976
Support Services:				
Students	7,623	7,623	7,623	-
Total Expenditures	<u>50,369</u>	<u>53,140</u>	<u>51,164</u>	<u>1,976</u>
Deficiency of Revenues				
Under Expenditures	-	-	(14,261)	(14,261)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(14,261)</u>	<u>(14,261)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(6,734)</u>	<u>(6,734)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(20,995)</u>	<u>(20,995)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			14,261	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	668	-	(668)
Total Revenues	<u>-</u>	<u>668</u>	<u>-</u>	<u>(668)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	668	668	-
Total Expenditures	<u>-</u>	<u>668</u>	<u>668</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(668)</u>	<u>(668)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(668)</u>	<u>(668)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(668)</u>	<u>(668)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>668</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 10,448	9,078	7,292	(1,786)
Total Revenues	<u>10,448</u>	<u>9,078</u>	<u>7,292</u>	<u>(1,786)</u>
Expenditures:				
Current:				
Instruction	5,224	4,958	4,262	696
Support Services:				
School Administration	5,224	4,120	4,119	1
Total Expenditures	<u>10,448</u>	<u>9,078</u>	<u>8,381</u>	<u>697</u>
Deficiency of Revenues				
Under Expenditures	-	-	(1,089)	(1,089)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,089)</u>	<u>(1,089)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(444)</u>	<u>(444)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,533)</u>	<u>(1,533)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,089</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	1,750	1,750	-
Total Revenues	<u>-</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	1,750	1,750	-
Total Expenditures	<u>-</u>	<u>1,750</u>	<u>1,750</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GO Bonds 27106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	715	1,472	757
Total Revenues	<u>-</u>	<u>715</u>	<u>1,472</u>	<u>757</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	715	715	-
Total Expenditures	<u>-</u>	<u>715</u>	<u>715</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>757</u>	<u>757</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>757</u>	<u>757</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,472)</u>	<u>(1,472)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(715)</u>	<u>(715)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(757)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GOB Instructional Materials 27171
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 12,061	12,061	12,061	-
Total Revenues	<u>12,061</u>	<u>12,061</u>	<u>12,061</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	12,061	12,061	12,061	-
Total Expenditures	<u>12,061</u>	<u>12,061</u>	<u>12,061</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public Schools Capital Outlay 31200
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	227,535	170,651	(56,884)
Total Revenues	<u>-</u>	<u>227,535</u>	<u>170,651</u>	<u>(56,884)</u>
Expenditures:				
Capital Outlay	-	227,535	227,535	-
Total Expenditures	<u>-</u>	<u>227,535</u>	<u>227,535</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(56,884)	(56,884)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(56,884)</u>	<u>(56,884)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(56,884)</u>	<u>(56,884)</u>
Reconciliation to GAAP Basis:				
Excess Revenues Over Expenditures Adjustments to Revenues			<u>56,884</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Schedule of Budgetary Comparisons - Budgetary Basis
 SB-9 Capital Improvements 31700
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 93,734	93,734	89,073	(4,661)
State Grant	6,688	13,947	-	(13,947)
Total Revenues	<u>100,422</u>	<u>107,681</u>	<u>89,073</u>	<u>(18,608)</u>
Expenditures:				
Capital Outlay	100,422	107,681	-	107,681
Total Expenditures	<u>100,422</u>	<u>107,681</u>	<u>-</u>	<u>107,681</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>89,073</u>	<u>89,073</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>89,073</u>	<u>89,073</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>89,073</u>	<u>89,073</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 89,073</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Schedule of Collateral Pledged by Depository for Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo	FN AR2636 3%	3138NY4W2	2/1/2043	\$ 73,778
				<u>\$ 73,778</u>
Total Per Schedule of Cash Accounts:				\$ 343,785
Less: FDIC Coverage:				<u>(250,000)</u>
Uninsured Public Funds:				93,785
Collateral Requirement:				46,893
Pledged Collateral Held by Pledging Financial Institution:				<u>73,778</u>
Balance Over Collateralized:				<u>\$ 26,885</u>
Balance Uninsured and Uncollateralized at June 30, 2014:				<u>\$ 20,007</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque School of Excellence
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	\$ 343,785
Total on Deposit	343,785
Reconciling Items	<u>(26,979)</u>
Reconciled Balance June 30, 2014	<u>316,806</u>
Less: Agency Funds	<u>(19,564)</u>
Total Cash	<u><u>\$ 297,242</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque School of Excellence
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Activity Account 23000
Cash, June 30, 2013	\$ 150,542	25,754	-	20,441
Add:				
2013-14 Revenues	<u>2,018,526</u>	<u>22,822</u>	<u>52,298</u>	<u>34,906</u>
Total Cash Available	2,169,068	48,576	52,298	55,347
Less:				
2013-14 Expenditures	(1,980,662)	(6,671)	(52,298)	(35,783)
Receivables/Payables	84,624	-	-	-
Outstanding Loans	<u>(109,789)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>163,241</u>	<u>41,905</u>	<u>-</u>	<u>19,564</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	3,014	-	-	-
Cash per Books	<u>166,255</u>	<u>41,905</u>	<u>-</u>	<u>19,564</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(32,068)	-	-	(19,564)
Fund Balance, Modified Accrual Basis	<u>\$ 134,187</u>	<u>41,905</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Local Grants Fund 26000	State Flow Through Fund 27000	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	715	-	-	197,452
105,029	1,750	13,533	170,651	89,073	2,508,588
105,029	1,750	14,248	170,651	89,073	2,706,040
(127,974)	(1,750)	(12,776)	(227,535)	-	(2,445,449)
(29,245)	9	(2,187)	-	-	53,201
52,190	-	715	56,884	-	-
-	9	-	-	89,073	313,792
-	-	-	-	-	3,014
-	9	-	-	89,073	316,806
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:					(19,564)
Balance Sheets - Governmental Funds:					\$ 297,242
-	(9)	-	-	-	(51,641)
-	-	-	-	89,073	265,165

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 377,284
Receivables	
Due from Other Governments	141,685
Prepaid Expenses	10,364
Total Current Assets	<u>529,333</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	15,755
Less: Accumulated Depreciation	(10,249)
Total Noncurrent Assets	<u>5,506</u>

Total Assets

534,839

LIABILITIES

Current Liabilities:

Accounts Payable	15,752
Accrued Liabilities	82,232
Due To Government	15,622
Unearned Revenue	13,718

Total Current Liabilities

127,324

Total Liabilities

127,324

NET POSITION

Investment in Capital Assets	5,506
Restricted	110,502
Unrestricted	291,507

Total Net Position

\$ 407,515

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 744,863	376	320,073	-	(424,414)
Support Services:					
Students	387,647	-	-	-	(387,647)
Instruction	4,363	-	-	-	(4,363)
General Administration	27,796	-	-	-	(27,796)
School Administration	255,061	-	-	-	(255,061)
Central Services	82,567	-	-	-	(82,567)
Operation & Maintenance of Plant	36,961	-	-	-	(36,961)
Community Services Operations	18,658	-	-	-	(18,658)
Student Transportation	242,649	-	226,180	-	(16,469)
Food Services	40,341	6,736	27,833	-	(5,772)
Facilities Materials, Supplies & Other Services	71,608	-	-	71,608	-
Total Governmental Activities	\$ 1,912,514	7,112	574,086	71,608	(1,259,708)
General Revenues:					
State Equalization Guarantee					\$ 1,355,567
Total General Revenues					1,355,567
Changes in Net Position					95,859
Net Position, Beginning					311,656
Net Position, Ending					\$ 407,515

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
Cash and Cash Equivalents	\$ 256,976	32,296	14,815	1,300
Accounts Receivable				
Due from Government	-	-	1,245	704
Due from Other Funds	123,067	-	-	-
Prepays	10,364	-	-	-
<i>Total Assets</i>	<u>\$ 390,407</u>	<u>32,296</u>	<u>16,060</u>	<u>2,004</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 13,063	-	555	-
Accrued Expenditures	75,277	1,052	-	-
Due to Government	-	15,622	-	-
Due to Other Funds	-	-	-	-
Local Contributions Unspent	-	-	-	-
<i>Total Liabilities</i>	<u>88,340</u>	<u>16,674</u>	<u>555</u>	<u>-</u>
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Non Spendable:				
Prepaid Expenditures	10,364	-	-	-
Restricted for:				
Student Transportation	-	15,622	-	-
Instruction	-	-	15,505	-
Food Services	-	-	-	2,004
Student Support Services	-	-	-	-
General Administration - Support Services	-	-	-	-
Assigned to:				
Subsequent Years Expenditures & Other Programs	291,703	-	-	-
Unassigned (Deficit)	-	-	-	-
<i>Total Fund Balances(Deficit)</i>	<u>302,067</u>	<u>15,622</u>	<u>15,505</u>	<u>2,004</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 390,407</u>	<u>32,296</u>	<u>16,060</u>	<u>2,004</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Title I School Improvement 24162	Title XIX Medicaid 25153
-	-	-	-	-	26,237
922	4,877	85,175	5,763	13,297	10,766
-	-	-	-	-	-
-	-	-	-	-	-
922	4,877	85,175	5,763	13,297	37,003
-	-	-	-	-	1,938
531	-	-	-	3,573	-
-	-	-	-	-	-
391	4,877	85,175	5,763	9,724	-
-	-	-	-	-	-
922	4,877	85,175	5,763	13,297	1,938
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	35,065
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	35,065
922	4,877	85,175	5,763	13,297	37,003

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Target School Grants 26211	Reads to Lead 27114	2010 GO BOND 27171	NM Grown 27183
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	-
Accounts Receivable				
Due from Government	-	5,181	-	319
Due from Other Funds	-	-	-	-
Prepays	-	-	-	-
<i>Total Assets</i>	<u>\$ -</u>	<u>5,181</u>	<u>-</u>	<u>319</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	196	-	-
Accrued Expenditures	-	1,799	-	-
Due to Government	-	-	-	-
Due to Other Funds	-	3,382	-	319
Local Contributions Unspent	-	-	-	-
<i>Total Liabilities</i>	<u>-</u>	<u>5,377</u>	<u>-</u>	<u>319</u>
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Non Spendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Student Transportation	-	-	-	-
Instruction	-	-	-	-
Food Services	-	-	-	-
Student Support Services	-	-	-	-
General Administration - Support Services	-	-	-	-
Assigned to:				
Subsequent Years Expenditures & Other Programs	-	-	-	-
Unassigned (Deficit)	-	(196)	-	-
<i>Total Fund Balances(Deficit)</i>	<u>-</u>	<u>(196)</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ -</u>	<u>5,181</u>	<u>-</u>	<u>319</u>

The accompanying notes are an integral part of these financial statements

Next Gen Assessments 27185	Private Direct Grant 29102	McCune Foundation 29114	Public Schools Capital Outlay 31200	SB-9 Capital Fund 31700	Total
-	31,942	13,718	-	-	377,284
672	-	-	12,764	-	141,685
-	-	-	-	-	123,067
-	-	-	-	-	10,364
672	31,942	13,718	12,764	-	652,400
-	-	-	-	-	15,752
-	-	-	-	-	82,232
-	-	-	-	-	15,622
672	-	-	12,764	-	123,067
-	-	13,718	-	-	13,718
672	-	13,718	12,764	-	250,391
-	-	-	-	-	10,364
-	-	-	-	-	15,622
-	-	-	-	-	15,505
-	-	-	-	-	2,004
-	-	-	-	-	35,065
-	31,942	-	-	-	31,942
-	-	-	-	-	291,703
-	-	-	-	-	(196)
-	31,942	-	-	-	402,009
672	31,942	13,718	12,764	-	652,400

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Reconciliation of the Balance Sheets - Governmental Funds
To Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 402,009**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	15,755	
Accumulated Depreciation	(10,249)	
	5,506	5,506

Net Position-Total Governmental Activities **\$ 407,515**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
Revenues:				
Fees	\$ 376	-	-	6,736
State Grant	1,355,567	226,180	5,041	-
Federal Grant	-	-	-	27,833
Miscellaneous Income	385	-	-	-
Property Taxes	-	-	-	-
Total Revenues	<u>1,356,328</u>	<u>226,180</u>	<u>5,041</u>	<u>34,569</u>
Expenditures:				
Current:				
Instruction	628,751	-	3,741	-
Support Services:				
Students	244,014	-	-	-
Instruction	3,691	-	-	-
General Administration	23,498	-	-	-
School Administration	253,525	-	-	-
Central Services	82,546	-	-	-
Operation & Maintenance of Plant	36,961	-	-	-
Student Transportation	-	242,649	-	-
Community Services Operations	18,658	-	-	-
Food Services Operations	4,835	-	-	35,187
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,296,479</u>	<u>242,649</u>	<u>3,741</u>	<u>35,187</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>59,849</u>	<u>(16,469)</u>	<u>1,300</u>	<u>(618)</u>
Net Changes in Fund Balances	<u>59,849</u>	<u>(16,469)</u>	<u>1,300</u>	<u>(618)</u>
Fund Balances - Beginning of Year	<u>242,218</u>	<u>32,091</u>	<u>14,205</u>	<u>2,622</u>
Fund Balances (Deficit) - End of Year	<u>\$ 302,067</u>	<u>15,622</u>	<u>15,505</u>	<u>2,004</u>

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	Title XIX Medicaid 25153
-	-	-	-	-	-
-	-	-	-	-	-
11,940	15,612	95,567	5,763	56,084	63,530
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,940</u>	<u>15,612</u>	<u>95,567</u>	<u>5,763</u>	<u>56,084</u>	<u>63,530</u>
11,782	-	-	5,763	56,084	-
158	15,612	95,567	-	-	32,296
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,940</u>	<u>15,612</u>	<u>95,567</u>	<u>5,763</u>	<u>56,084</u>	<u>32,296</u>
-	-	-	-	-	31,234
-	-	-	-	-	31,234
-	-	-	-	-	3,831
-	-	-	-	-	35,065

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit) (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Target School Grants 26211	Reads to Lead 27114	2010 GO BOND 27171	NM Grown 27183
Revenues:				
Fees	\$ -	-	-	-
State Grant	-	21,745	793	-
Federal Grant	-	-	-	319
Miscellaneous Income	700	-	-	-
Property Taxes	-	-	-	-
Total Revenues	<u>700</u>	<u>21,745</u>	<u>793</u>	<u>319</u>
Expenditures:				
Current:				
Instruction	700	21,941	793	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Community Services Operations	-	-	-	-
Food Services Operations	-	-	-	319
Capital Outlay	-	-	-	-
Total Expenditures	<u>700</u>	<u>21,941</u>	<u>793</u>	<u>319</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>(196)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(196)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>(196)</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Next Gen Assessments 27185	Private Direct Grant 29102	McCune Foundation 29114	Public Schools Capital Outlay 31200	SB-9 Capital Fund 31700	Total
-	-	-	-	-	7,112
-	-	-	51,057	1,066	1,661,449
672	-	-	-	-	277,320
-	28,640	13,282	-	-	43,007
-	-	-	-	19,485	19,485
<u>672</u>	<u>28,640</u>	<u>13,282</u>	<u>51,057</u>	<u>20,551</u>	<u>2,008,373</u>
-	158	12,000	-	-	741,713
-	-	-	-	-	387,647
672	-	-	-	-	4,363
-	4,298	-	-	-	27,796
-	254	1,282	-	-	255,061
-	21	-	-	-	82,567
-	-	-	-	-	36,961
-	-	-	-	-	242,649
-	-	-	-	-	18,658
-	-	-	-	-	40,341
-	-	-	51,057	20,551	71,608
<u>672</u>	<u>4,731</u>	<u>13,282</u>	<u>51,057</u>	<u>20,551</u>	<u>1,909,364</u>
-	23,909	-	-	-	99,009
-	23,909	-	-	-	99,009
-	8,033	-	-	-	303,000
-	31,942	-	-	-	402,009

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds	\$ 99,009
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation Expense	<u>(3,150)</u>	<u>(3,150)</u>
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Change in Net Position-Total Governmental Activities	<u>\$ 95,859</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 5,762
Total Assets	<u>\$ 5,762</u>
LIABILITIES	
Deposits Held for Others	\$ 5,762
Total Liabilities	<u>\$ 5,762</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 3,662	16,177	14,077	5,762
Total Assets	<u>\$ 3,662</u>	<u>16,177</u>	<u>14,077</u>	<u>5,762</u>
LIABILITIES				
Deposits Held for Others	\$ 3,662	16,177	14,077	5,762
Total Liabilities	<u>\$ 3,662</u>	<u>16,177</u>	<u>14,077</u>	<u>5,762</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Albuquerque Sign Language Academy (ASLA) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The ASLA does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ASLA utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	3-15 years
-----------------------------------	------------

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 15,755	-	-	15,755
<i>Total</i>	<u>15,755</u>	<u>-</u>	<u>-</u>	<u>15,755</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(7,099)	(3,150)	-	(10,249)
<i>Total</i>	<u>(7,099)</u>	<u>(3,150)</u>	<u>-</u>	<u>(10,249)</u>
Capital Assets, Net	<u>\$ 8,656</u>	<u>(3,150)</u>	<u>-</u>	<u>5,506</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 2,104
School Administration	<u>1,046</u>
Total	<u>\$ 3,150</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The ASLA leases facilities under a short-term cancelable operating lease. Lease expense for the year ended June 30, 2014 was \$52,017. The school's minimum future payments on this lease are as follows:

Year Ending June 30:	
2015	\$ 62,945
Total operating lease payments	<u>\$ 62,945</u>

NOTE 4. DEFICIENT FUND BALANCE

The following fund had a deficient fund balance at June 30, 2014:

Reads to Lead 27114 \$ (196)

ASLA is addressing the negative fund balance and is planning to take the appropriate actions to eliminate the negative balance.

NOTE 5. RELATED PARTY TRANSACTIONS

The School Administrator's spouse is employed by a company that provides information technology services to the school. Total payments to this company were \$8,775. Additionally, the school's business manager during fiscal year 2014 was also the business manager for the Albuquerque Institute for Math and Science Charter School.

NOTE 6. RELATED PARTY TRANSACTIONS

The ASLA Administrator's spouse is employed by a company that provides information technology services to the school. Total payments to this company were \$8,775. Additionally, the school's business manager during fiscal year 2014 was also the business manager for the Albuquerque Institute for Math and Science Charter School.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Charges for Services	\$ -	-	376	376
State Grant	1,346,600	1,355,568	1,355,567	(1)
Miscellaneous Income	-	-	385	385
Total Revenues	<u>1,346,600</u>	<u>1,355,568</u>	<u>1,356,328</u>	<u>760</u>
Expenditures:				
Current:				
Instruction	799,046	818,267	628,661	189,606
Support Services:				
Students	306,191	332,310	244,014	88,296
Instruction	6,500	6,750	3,691	3,059
General Administration	30,250	27,937	26,931	1,006
School Administration	255,234	266,391	252,324	14,067
Central Services	76,547	79,101	92,945	(13,844)
Operation & Maintenance of Plant	74,082	57,473	40,243	17,230
Other Support Services Operations	8,750	19,400	20,314	(914)
Food Services Operations	-	5,500	-	5,500
Total Expenditures	<u>1,556,600</u>	<u>1,613,129</u>	<u>1,309,123</u>	<u>304,006</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(210,000)</u>	<u>(257,561)</u>	<u>47,205</u>	<u>304,766</u>
Other Financing Sources (Uses):				
Designated Cash	210,000	257,561	-	(257,561)
Total Other Financing Sources (Uses):	<u>210,000</u>	<u>257,561</u>	<u>-</u>	<u>(257,561)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>47,205</u>	<u>47,205</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>242,218</u>	<u>242,218</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>289,423</u>	<u>289,423</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>12,644</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 59,849</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 231,002	241,802	241,802	-
Total Revenues	<u>231,002</u>	<u>241,802</u>	<u>241,802</u>	<u>-</u>
Expenditures:				
Current:				
Student Transportation	231,002	273,893	242,649	31,244
Total Expenditures	<u>231,002</u>	<u>273,893</u>	<u>242,649</u>	<u>31,244</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(32,091)</u>	<u>(847)</u>	<u>31,244</u>
Other Financing Sources (Uses):				
Designated Cash	-	32,091	-	(32,091)
Total Other Financing Sources (Uses):	<u>-</u>	<u>32,091</u>	<u>-</u>	<u>(32,091)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(847)</u>	<u>(847)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>32,091</u>	<u>32,091</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>31,244</u>	<u>31,244</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(15,622)	
NET CHANGE IN FUND BALANCE			<u>\$ (16,469)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,796	3,796	4,901	1,105
Total Revenues	<u>3,796</u>	<u>3,796</u>	<u>4,901</u>	<u>1,105</u>
Expenditures:				
Current:				
Instruction	16,796	16,993	3,283	13,710
Total Expenditures	<u>16,796</u>	<u>16,993</u>	<u>3,283</u>	<u>13,710</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(13,000)</u>	<u>(13,197)</u>	<u>1,618</u>	<u>14,815</u>
Other Financing Sources (Uses):				
Designated Cash	13,000	13,197	-	(13,197)
Total Other Financing Sources (Uses):	<u>13,000</u>	<u>13,197</u>	<u>-</u>	<u>(13,197)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,618</u>	<u>1,618</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>13,197</u>	<u>13,197</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>14,815</u>	<u>14,815</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			140	
Adjustments to Expenditures			<u>(458)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,300</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Fees	\$ 3,000	5,600	6,033	433
Federal Grant	28,000	28,000	28,641	641
Total Revenues	<u>31,000</u>	<u>33,600</u>	<u>34,674</u>	<u>1,074</u>
Expenditures:				
Current:				
Food Services Operations	32,320	36,222	35,996	226
Total Expenditures	<u>32,320</u>	<u>36,222</u>	<u>35,996</u>	<u>226</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,320)</u>	<u>(2,622)</u>	<u>(1,322)</u>	<u>1,300</u>
Other Financing Sources (Uses):				
Designated Cash	1,320	2,622	-	(2,622)
Total Other Financing Sources (Uses):	<u>1,320</u>	<u>2,622</u>	<u>-</u>	<u>(2,622)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,322)</u>	<u>(1,322)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,622</u>	<u>2,622</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,300</u>	<u>1,300</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(105)	
Adjustments to Expenditures			<u>809</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (618)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 16,493	27,189	21,660	(5,529)
Total Revenues	<u>16,493</u>	<u>27,189</u>	<u>21,660</u>	<u>(5,529)</u>
Expenditures:				
Current:				
Instruction	14,139	24,835	11,782	13,053
Support Services:				
Students	2,354	2,354	158	2,196
Total Expenditures	<u>16,493</u>	<u>27,189</u>	<u>11,940</u>	<u>15,249</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>9,720</u>	<u>9,720</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>9,720</u>	<u>9,720</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(10,642)</u>	<u>(10,642)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(922)</u>	<u>(922)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(9,720)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 20,578	22,228	18,237	(3,991)
Total Revenues	<u>20,578</u>	<u>22,228</u>	<u>18,237</u>	<u>(3,991)</u>
Expenditures:				
Current:				
Support Services:				
Students	20,578	22,228	15,612	6,616
Total Expenditures	<u>20,578</u>	<u>22,228</u>	<u>15,612</u>	<u>6,616</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,625</u>	<u>2,625</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>2,625</u>	 <u>2,625</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(7,502)</u>	<u>(7,502)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,877)</u>	<u>(4,877)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(2,625)</u>	
 NET CHANGE IN FUND BALANCE			 <u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	95,568	10,484	(85,084)
Total Revenues	<u>-</u>	<u>95,568</u>	<u>10,484</u>	<u>(85,084)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	95,568	95,567	1
Total Expenditures	<u>-</u>	<u>95,568</u>	<u>95,567</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(85,083)</u>	<u>(85,083)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(85,083)</u>	<u>(85,083)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(92)</u>	<u>(92)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(85,175)</u>	<u>(85,175)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>85,083</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 2,335	5,763	-	(5,763)
Total Revenues	<u>2,335</u>	<u>5,763</u>	<u>-</u>	<u>(5,763)</u>
Expenditures:				
Current:				
Instruction	2,335	5,763	5,763	-
Total Expenditures	<u>2,335</u>	<u>5,763</u>	<u>5,763</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(5,763)	(5,763)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,763)</u>	<u>(5,763)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,763)</u>	<u>(5,763)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,763	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I School Improvement 24162
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 56,084	60,941	74,967	14,026
Total Revenues	<u>56,084</u>	<u>60,941</u>	<u>74,967</u>	<u>14,026</u>
Expenditures:				
Current:				
Instruction	56,084	60,941	56,084	4,857
Total Expenditures	<u>56,084</u>	<u>60,941</u>	<u>56,084</u>	<u>4,857</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>18,883</u>	<u>18,883</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>18,883</u>	<u>18,883</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(32,181)</u>	<u>(32,181)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,298)</u>	<u>(13,298)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(18,883)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 35,000	56,715	66,008	9,293
Total Revenues	<u>35,000</u>	<u>56,715</u>	<u>66,008</u>	<u>9,293</u>
Expenditures:				
Current:				
Support Services:				
Students	36,223	56,715	32,742	23,973
Total Expenditures	<u>36,223</u>	<u>56,715</u>	<u>32,742</u>	<u>23,973</u>
<i>Excess of Revenues Over Expenditures</i>	<u>(1,223)</u>	<u>-</u>	<u>33,266</u>	<u>33,266</u>
Other Financing Sources:				
Designated Cash	1,223	-	-	-
Total other financing sources (uses):	<u>1,223</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>33,266</u>	<u>33,266</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(7,029)</u>	<u>(7,029)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>26,237</u>	<u>26,237</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(2,478)	
Adjustments to Expenditures			<u>446</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 31,234</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Target Schools Grants 26211
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	700	700	-
Total Revenues	<u>-</u>	<u>700</u>	<u>700</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	700	700	-
Total Expenditures	<u>-</u>	<u>700</u>	<u>700</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Lead 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	21,815	16,564	(5,251)
Total Revenues	<u>-</u>	<u>21,815</u>	<u>16,564</u>	<u>(5,251)</u>
Expenditures:				
Current:				
Instruction	-	21,815	21,745	70
Total Expenditures	<u>-</u>	<u>21,815</u>	<u>21,745</u>	<u>70</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(5,181)</u>	<u>(5,181)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,181)</u>	<u>(5,181)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,181)</u>	<u>(5,181)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,181	
Adjustments to Expenditures			<u>(196)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (196)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GO Bond 27171
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	794	2,726	1,932
Total Revenues	<u>-</u>	<u>794</u>	<u>2,726</u>	<u>1,932</u>
Expenditures:				
Current:				
Instruction	-	794	793	1
Total Expenditures	<u>-</u>	<u>794</u>	<u>793</u>	<u>1</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,933</u>	<u>1,933</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,933</u>	<u>1,933</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,933)</u>	<u>(1,933)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1,933)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 NM Grown 27183
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	591	-	(591)
Total Revenues	<u>-</u>	<u>591</u>	<u>-</u>	<u>(591)</u>
Expenditures:				
Current:				
Food Services Operations	-	591	319	272
Total Expenditures	<u>-</u>	<u>591</u>	<u>319</u>	<u>272</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(319)</u>	<u>(319)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(319)</u>	<u>(319)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(319)</u>	<u>(319)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>319</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Next Gen Assessments 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	672	-	(672)
Total Revenues	<u>-</u>	<u>672</u>	<u>-</u>	<u>(672)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	672	672	-
Total Expenditures	<u>-</u>	<u>672</u>	<u>672</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(672)</u>	<u>(672)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(672)</u>	<u>(672)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(672)</u>	<u>(672)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>672</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grant 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 23,000	27,440	28,640	1,200
Total Revenues	<u>23,000</u>	<u>27,440</u>	<u>28,640</u>	<u>1,200</u>
Expenditures:				
Current:				
Instruction	7,462	7,662	158	7,504
Support Services:				
General Administration	20,000	22,173	4,298	17,875
School Administration	3,000	5,617	254	5,363
Central Services	-	21	21	-
Total Expenditures	<u>30,462</u>	<u>35,473</u>	<u>4,731</u>	<u>30,742</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(7,462)</u>	<u>(8,033)</u>	<u>23,909</u>	<u>31,942</u>
Other Financing Sources (Uses):				
Designated Cash	7,462	8,033	-	(8,033)
Total Other Financing Sources (Uses):	<u>7,462</u>	<u>8,033</u>	<u>-</u>	<u>(8,033)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>23,909</u>	<u>23,909</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,033</u>	<u>8,033</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>31,942</u>	<u>31,942</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 23,909</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Foundation 29114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	15,000	15,000	-
Total Revenues	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	12,000	12,000	12,000	-
Support Services:				
School Administration	-	15,000	1,282	13,718
Total Expenditures	<u>12,000</u>	<u>27,000</u>	<u>13,282</u>	<u>13,718</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(12,000)</u>	<u>(12,000)</u>	<u>1,718</u>	<u>13,718</u>
Other Financing Sources (Uses):				
Designated Cash	12,000	12,000	-	(12,000)
Total Other Financing Sources (Uses):	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,718</u>	<u>1,718</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>13,718</u>	<u>13,718</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,718)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public Schools Capital Outlay 31200
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	51,057	52,618	1,561
Total Revenues	<u>-</u>	<u>51,057</u>	<u>52,618</u>	<u>1,561</u>
Expenditures:				
Current:				
Capital Outlay	-	51,057	51,057	-
Total Expenditures	<u>-</u>	<u>51,057</u>	<u>51,057</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,561</u>	<u>1,561</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,561</u>	<u>1,561</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(14,325)</u>	<u>(14,325)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(12,764)</u>	<u>(12,764)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1,561)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 SB 9 Capital Improvements 31700
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,526	2,697	2,526	(171)
Taxes	20,504	20,504	19,485	(1,019)
Total Revenues	<u>23,030</u>	<u>23,201</u>	<u>22,011</u>	<u>(1,190)</u>
Expenditures:				
Current:				
Capital Outlay	23,030	23,201	20,551	2,650
Total Expenditures	<u>23,030</u>	<u>23,201</u>	<u>20,551</u>	<u>2,650</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,460</u>	<u>1,460</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,460</u>	<u>1,460</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,460)</u>	<u>(1,460)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1,460)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Suntrust Bank, Atlanta	Johnston RI GO BONDS	479412PL6	June 1, 2016	\$ 315,648
				<u>\$ 315,648</u>

Total Cash per Schedule of Cash Accounts: \$ 422,205
Less: FDIC Coverage: (250,000)
Uninsured Public Funds: 172,205

Collateral Requirement: 86,103
Pledged Collateral Held by Pledging Financial Institution: 315,648
Balance Over Collateralized: 229,546

Balance uninsured and uncollateralized at June 30, 2014: \$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Albuquerque Sign Language Academy
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	\$ 422,205
<i>Total on Deposit</i>	422,205
Reconciling Items	(39,159)
<i>Reconciled Balance June 30, 2014</i>	383,046
Less Agency Funds	(5,762)
<i>Total Cash</i>	<u>\$ 377,284</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Albuquerque Sign Language Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Federal Projects Account 24000
Cash, June 30, 2013	\$ 253,359	64,860	13,196	2,622	-
Add:					
2013-14 Revenues	1,356,328	241,802	4,902	34,674	125,349
Total Cash Available	1,609,687	306,662	18,098	37,296	125,349
Less:					
2013-14 Expenditures	(1,309,123)	(242,649)	(3,283)	(35,996)	(184,966)
Receivables/Payables	4,202	(32,769)	-	-	(50,417)
Adjustments	75,277	1,052	-	-	4,104
Outstanding Loans	(123,067)	-	-	-	105,930
Cash June 30, 2014	256,976	32,296	14,815	1,300	-
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	-	-	-	-	-
Cash per Books	256,976	32,296	14,815	1,300	-
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	45,091	(16,674)	690	704	-
Fund Balance (Deficit), Modified Accrual Basis	\$ 302,067	15,622	15,505	2,004	-

The accompanying notes are an integral part of these financial statements

State Flow Through Account 25000	Local Grants Account 26000	State Projects Account 27000	Local or State Account 29000	Public School Training 31200	SB 9 Capital Improvement 31700	Total
-	-	-	20,033	-	-	354,070
66,009	700	19,290	43,640	52,619	22,011	1,967,324
66,009	700	19,290	63,673	52,619	22,011	2,321,394
(32,742)	(700)	(23,529)	(18,013)	(51,057)	(20,551)	(1,922,609)
(7,030)	-	(1,933)	-	(14,326)	(1,460)	(103,733)
-	-	1,799	-	-	-	82,232
-	-	4,373	-	12,764	-	-
26,237	-	-	45,660	-	-	377,284
-	-	-	-	-	-	-
26,237	-	-	45,660	-	-	377,284
8,828	-	(196)	(13,718)	-	-	24,725
35,065	-	(196)	31,942	-	-	402,009

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 633,686
Receivables	
Due from Other Governments	97,984
Prepaid Expenditures	5,870
Total Current Assets	<u>737,540</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	43,341
Vehicles	15,200
Furniture, Fixtures, and Equipment	87,826
Less: Accumulated Depreciation	(52,304)
Total Noncurrent Assets	<u>94,063</u>
Total Assets	<u>831,603</u>

LIABILITIES

Current Liabilities:

Accounts Payable	3,010
Accrued Liabilities	22,340
Compensated Absences	18,939
Total Current Liabilities	<u>44,289</u>
Total Liabilities	<u>44,289</u>

NET POSITION

Investment in Capital Assets	94,063
Restricted	80,237
Unrestricted	613,014
Total Net Position	<u>\$ 787,314</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 773,539	25,008	91,568	-	(656,963)
Support Services:					
Students	256,922	-	94,606	-	(162,316)
Instruction	3,131	-	-	-	(3,131)
General Administration	51,370	-	-	-	(51,370)
School Administration	287,089	-	-	-	(287,089)
Central Services	77,892	-	-	-	(77,892)
Operation & Maintenance of Plant	71,523	-	-	-	(71,523)
Community Services Operations	27,906	-	14,030	-	(13,876)
Other Support Services	2,747	-	-	-	(2,747)
Facilities Materials, Supplies & Other Services	86,273	-	-	60,676	(25,597)
Total Governmental Activities	\$ 1,638,392	25,008	200,204	60,676	(1,352,504)
General Revenues:					
State Equalization Guarantee					\$ 1,779,539
Property Taxes					33,865
Miscellaneous					14,987
Total general revenues					<u>1,828,391</u>
Change in Net Position					475,887
Net Position, Beginning					<u>311,427</u>
Net Position, Ending					<u>\$ 787,314</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Dual Credit Instructional Materials 27103
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 558,314	6,281	-	-	-
Accounts Receivable					
Due from Government	-	-	11,432	20,128	-
Due from Other Funds	97,984	-	-	-	-
Prepaid Expenditures	5,870	-	-	-	-
Total Assets	\$ 662,168	6,281	11,432	20,128	-
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 3,010	-	-	-	-
Accrued Expenses	21,289	-	-	-	-
Due to Other Funds	-	-	11,432	20,128	-
Total Liabilities	24,299	-	11,432	20,128	-
<i>Fund Balances (Deficit)</i>					
Fund Balance:					
Non Spendable:					
Prepaid Expenditures	5,870	-	-	-	-
Restricted for:					
Instruction	-	6,281	-	-	-
Community Services	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditure and Other Programs	631,999	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances (Deficit)	637,869	6,281	-	-	-
Total Liabilities and Fund Balances (Deficit)	\$ 662,168	6,281	11,432	20,128	-

The accompanying notes are an integral part of these financial statements

Next Generation Assessment 27185	Youth Conservation Corp 28133	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	1,005	37,078	-	31,008	633,686
1,442	34,644	-	30,338	-	97,984
-	-	-	-	-	97,984
-	-	-	-	-	5,870
<u>1,442</u>	<u>35,649</u>	<u>37,078</u>	<u>30,338</u>	<u>31,008</u>	<u>835,524</u>
-	-	-	-	-	3,010
-	1,051	-	-	-	22,340
1,442	34,644	-	30,338	-	97,984
<u>1,442</u>	<u>35,695</u>	<u>-</u>	<u>30,338</u>	<u>-</u>	<u>123,334</u>
-	-	-	-	-	5,870
-	-	-	-	-	6,281
-	-	37,078	-	-	37,078
-	-	-	-	31,008	31,008
-	-	-	-	-	631,999
-	(46)	-	-	-	(46)
-	(46)	37,078	-	31,008	712,190
<u>1,442</u>	<u>35,649</u>	<u>37,078</u>	<u>30,338</u>	<u>31,008</u>	<u>835,524</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Reconciliation of the Balance Sheet of Governmental Funds to
The Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 712,190**

Amounts reported for governmental activities in the Statement of
Net Position are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

Capital Assets	146,367	
Accumulated Depreciation	(52,304)	
	94,063	94,063

Long-term liabilities are not due in the current period and,
therefore, are not reported in the funds.

Compensated Absences	(18,939)	
	(18,939)	(18,939)

Net Position-Total Governmental Activities **\$ 787,314**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Dual Credit Instructional Materials 27103
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	14,987	-	-	-	-
State grant	1,779,539	7,380	-	-	1,505
Federal grant	-	-	11,432	20,128	-
Charges for services	25,008	-	-	-	-
Total Revenues	1,819,534	7,380	11,432	20,128	1,505
Expenditures:					
Current:					
Instruction	729,876	17,859	10,569	9,878	1,505
Support Services:					
Students	153,571	-	-	10,250	-
Instruction	3,131	-	-	-	-
General Administration	50,507	-	863	-	-
School Administration	287,089	-	-	-	-
Central Services	77,892	-	-	-	-
Operation & Maintenance of Plant	71,245	-	-	-	-
Other Support Services Operations	2,747	-	-	-	-
Community Services Operations	-	-	-	-	-
Capital Outlay	51,055	-	-	-	-
Total expenditures	1,427,113	17,859	11,432	20,128	1,505
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	392,421	(10,479)	-	-	-
Net Changes in Fund Balances	392,421	(10,479)	-	-	-
Fund Balances - Beginning of Year	245,448	16,760	-	-	-
Fund Balances - End of Year	\$ 637,869	6,281	-	-	-

The accompanying notes are an integral part of these financial statements

Next Generation Assessments 27185	Youth Conservation Corp 28133	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	33,865	33,865
-	-	51,186	-	-	66,173
1,442	107,131	-	60,676	-	1,957,673
-	-	-	-	-	31,560
-	-	-	-	-	25,008
<u>1,442</u>	<u>107,131</u>	<u>51,186</u>	<u>60,676</u>	<u>33,865</u>	<u>2,114,279</u>
1,442	-	-	-	-	771,129
-	93,101	-	-	-	256,922
-	-	-	-	-	3,131
-	-	-	-	-	51,370
-	-	-	-	-	287,089
-	-	-	-	-	77,892
-	-	278	-	-	71,523
-	-	-	-	-	2,747
-	14,076	13,830	-	-	27,906
-	-	-	60,676	2,857	114,588
<u>1,442</u>	<u>107,177</u>	<u>14,108</u>	<u>60,676</u>	<u>2,857</u>	<u>1,664,297</u>
-	(46)	37,078	-	31,008	449,982
-	(46)	37,078	-	31,008	449,982
-	-	-	-	-	262,208
-	(46)	37,078	-	31,008	712,190

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ALDO LEOPOLD HIGH SCHOOL
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net change in Fund Balances-Total Governmental Funds	\$ 449,982
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Change in Compensated Absences	(2,410)
<p>Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period</p>	
Capital Outlays	43,341
Depreciation Expense	<u>(15,026)</u>
	<u>28,315</u>
Change in Net Position-Total Governmental Activities	<u><u>\$ 475,887</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 31,232</u>
Total Assets	<u><u>\$ 31,232</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 31,232</u>
Total Liabilities	<u><u>\$ 31,232</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 8,705	43,693	21,166	31,232
Total Assets	<u>\$ 8,705</u>	<u>43,693</u>	<u>21,166</u>	<u>31,232</u>
LIABILITIES				
Deposits Held for Others	\$ 8,705	43,693	21,166	31,232
Total Liabilities	<u>\$ 8,705</u>	<u>43,693</u>	<u>21,166</u>	<u>31,232</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD CHARTER SCHOOL
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Aldo Leopold Charter School’s (ALCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The ALCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ALCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	30 years
Vehicles	10 years

Capital assets for the ALCS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 87,826	-	-	87,826
Buildings and improvements	-	43,341	-	43,341
Vehicles	15,200	-	-	15,200
	<hr/>			<hr/>
<i>Less: Accumulated Depreciation</i>	(37,278)	(15,026)	-	(52,304)
	<hr/>			<hr/>
Net Fixed Assets	\$ 65,748	28,315	-	94,063
	<hr/>			<hr/>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Facilities Materials, Supplies & Other Services	<u>\$ 15,026</u>
Total	<u><u>\$ 15,026</u></u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The ALCS leased facilities and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$78,553. The ALCS's minimum future payments on this lease are as follows.

Year Ending June 30:	
2015	\$ 133,098
2016	73,942
2017	1,942
2018	1,942
2019	1,942
Total Minimum Lease Payments	\$ <u>212,866</u>

B. Contingencies

The ALCS had a compensated absences balance of \$16,529 at the beginning of the fiscal year. Additions to the balance were \$2,410, which resulted in an ending balance of \$18,939. All of this balance is considered to be current.

NOTE 4. SUBSEQUENT EVENTS

The ALCS is a defendant in a lawsuit that has a set trial date of July 18, 2016. The Judge presiding over the case has ordered all parties to attend mediation before the end of February 2016. The attorney representing the school has set the chance of a defendant verdict at less than likely. The Tort Claims Act and prevailing case law dictate that the maximum liability would be \$750,000. However, the plaintiffs have asserted that this case is not covered under the New Mexico Tort Claims Act in an attempt to avoid liability caps. With the case being very early in the discovery phase, the possible liability is not able to be reasonably estimated as of this time.

NOTE 5. DEFICIT FUND BALANCE

At June 30, 2014, the Youth Conservation Corp fund has a deficit fund balance of \$46. This deficit will be eliminated as revenues are expected to exceed expenditures in the next fiscal year.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	1,500	14,987	13,487
State Grant	1,827,684	1,779,539	1,779,539	-
Charges for Services	-	-	25,008	25,008
Total Revenues	<u>1,827,684</u>	<u>1,781,039</u>	<u>1,819,534</u>	<u>38,495</u>
Expenditures:				
Current:				
Instruction	1,027,170	983,670	729,876	253,794
Support Services:				
Students	257,034	257,034	150,861	106,173
Instruction	867	867	3,131	(2,264)
General Administration	52,210	52,210	52,507	(297)
School Administration	347,278	257,278	292,959	(35,681)
Central Services	95,622	95,622	77,892	17,730
Operation & Maintenance of Plant	202,589	102,589	73,576	29,013
Other Support Services Operations	-	2,747	2,747	-
Capital outlay	79,284	271,880	51,055	220,825
Total Expenditures	<u>2,062,054</u>	<u>2,023,897</u>	<u>1,434,604</u>	<u>589,293</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(234,370)</u>	<u>(242,858)</u>	<u>384,930</u>	<u>627,788</u>
Other Financing Sources (Uses):				
Designated Cash	234,370	242,858	-	(242,858)
Total Other Financing Sources (Uses):	<u>234,370</u>	<u>242,858</u>	<u>-</u>	<u>(242,858)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>384,930</u>	<u>384,930</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>245,448</u>	<u>245,448</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>630,378</u>	<u>630,378</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>7,491</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 392,421</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 4,395	4,395	7,380	2,985
Total Revenues	<u>4,395</u>	<u>4,395</u>	<u>7,380</u>	<u>2,985</u>
Expenditures:				
Current:				
Instruction	19,888	19,888	17,859	2,029
Total Expenditures	<u>19,888</u>	<u>19,888</u>	<u>17,859</u>	<u>2,029</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>(15,493)</u>	<u>(15,493)</u>	<u>(10,479)</u>	<u>5,014</u>
Other Financing Sources (Uses):				
Designated Cash	15,493	15,493	-	(15,493)
Total Other Financing Sources (Uses):	<u>15,493</u>	<u>15,493</u>	<u>-</u>	<u>(15,493)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,479)</u>	<u>(10,479)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>16,760</u>	<u>16,760</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,281</u>	<u>6,281</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (10,479)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 11,432	11,432	13,711	2,279
Total Revenues	<u>11,432</u>	<u>11,432</u>	<u>13,711</u>	<u>2,279</u>
Expenditures:				
Current:				
Instruction	10,569	10,569	10,569	-
Support Services:				
General Administration	863	863	863	-
Total Expenditures	<u>11,432</u>	<u>11,432</u>	<u>11,432</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,279</u>	<u>2,279</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,279</u>	<u>2,279</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,279</u>	<u>2,279</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(2,279)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	20,128	8,333	(11,795)
Total Revenues	<u>-</u>	<u>20,128</u>	<u>8,333</u>	<u>(11,795)</u>
Expenditures:				
Current:				
Instruction	-	9,878	9,878	-
Support Services:				
Students	-	10,250	10,250	-
Total Expenditures	<u>-</u>	<u>20,128</u>	<u>20,128</u>	<u>-</u>
Deficiency of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>(11,795)</u>	<u>(11,795)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,795)</u>	<u>(11,795)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,795)</u>	<u>(11,795)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>11,795</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	2,114	1,731	(383)
Total Revenues	<u>-</u>	<u>2,114</u>	<u>1,731</u>	<u>(383)</u>
Expenditures:				
Current:				
Instruction	-	2,114	1,505	609
Total Expenditures	<u>-</u>	<u>2,114</u>	<u>1,505</u>	<u>609</u>
<i>Excess of Revenues</i>				
<i>OverExpenditures</i>	<u>-</u>	<u>-</u>	<u>226</u>	<u>226</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>226</u>	<u>226</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>226</u>	<u>226</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(226)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	1,442	-	(1,442)
Total Revenues	<u>-</u>	<u>1,442</u>	<u>-</u>	<u>(1,442)</u>
Expenditures:				
Current:				
Instruction	-	1,442	1,442	-
Total Expenditures	<u>-</u>	<u>1,442</u>	<u>1,442</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(1,442)</u>	<u>(1,442)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,442)</u>	<u>(1,442)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,442)</u>	<u>(1,442)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,442</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Youth Conservation Corp 28133
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	119,822	105,849	(13,973)
Total Revenues	<u>-</u>	<u>119,822</u>	<u>105,849</u>	<u>(13,973)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	102,980	93,101	9,879
Community Services Operations	-	16,842	14,076	2,766
Total Expenditures	<u>-</u>	<u>119,822</u>	<u>107,177</u>	<u>12,645</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(1,328)</u>	<u>(1,328)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,328)</u>	<u>(1,328)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,328)</u>	<u>(1,328)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,282</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (46)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	61,186	51,186	(10,000)
Total Revenues	<u>-</u>	<u>61,186</u>	<u>51,186</u>	<u>(10,000)</u>
Expenditures:				
Current:				
Instruction	-	10,000	-	10,000
Support Services:				
School Administration	-	7,500	-	7,500
Operation & Maintenance of Plant	-	-	278	(278)
Community Services Operations	-	43,686	13,830	29,856
Total Expenditures	<u>-</u>	<u>61,186</u>	<u>14,108</u>	<u>47,078</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>37,078</u>	<u>37,078</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>37,078</u>	<u>37,078</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>37,078</u>	<u>37,078</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 37,078</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	60,676	30,338	(30,338)
Total Revenues	<u>-</u>	<u>60,676</u>	<u>30,338</u>	<u>(30,338)</u>
Expenditures:				
Capital Outlay	-	60,676	60,676	-
Total Expenditures	<u>-</u>	<u>60,676</u>	<u>60,676</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(30,338)</u>	<u>(30,338)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(30,338)</u>	<u>(30,338)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(30,338)</u>	<u>(30,338)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>30,338</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	29,374	33,865	4,491
State Grant	-	4,914	-	(4,914)
Total Revenues	<u>-</u>	<u>34,288</u>	<u>33,865</u>	<u>(423)</u>
Expenditures:				
Capital Outlay	-	34,288	2,857	31,431
Total Expenditures	<u>-</u>	<u>34,288</u>	<u>2,857</u>	<u>31,431</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>31,008</u>	<u>31,008</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>31,008</u>	<u>31,008</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>31,008</u>	<u>31,008</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 31,008</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
AmBank	Hatch Valley	418839BZ8	8/1/2015	\$ 100,000
AmBank	Belen NM SD No2	077581NQ5	8/1/2017	60,000
AmBank	Las Cruces NM SCH Dist	517534PX5	8/1/2019	100,000
				<u>\$ 260,000</u>

Total Cash per Schedule of Cash Accounts:	\$ 697,338
Less: FDIC Coverage:	<u>(267,045)</u>
Uninsured Public Funds:	430,293
Collateral Requirement:	215,147
Pledged Collateral Held by Pledging Financial Institution:	<u>260,000</u>
Balance Over Collateralized:	<u>\$ 44,853</u>
Balance uninsured and uncollateralized at June 30, 2014:	<u>\$ 170,293</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 ALDO LEOPOLD HIGH SCHOOL
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>AmBank</u>
Checking - Operational Account	\$ 680,293
Checking - Activity Account	<u>17,045</u>
<i>Total on Deposit</i>	697,338
Reconciling Items	<u>(32,420)</u>
Reconciled Balance June 30, 2014	<u>664,918</u>
Less Agency Funds	<u>(31,232)</u>
<i>Total Cash</i>	<u><u>\$ 633,686</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALDO LEOPOLD HIGH SCHOOL
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Non-Instructional Support 23000	Federal Projects Account 24000
Cash, June 30, 2013	\$ 245,448	16,760	8,705	(26,829)
Add:				
2013-14 revenues	<u>1,819,534</u>	<u>7,380</u>	<u>43,693</u>	<u>26,829</u>
Total Cash Available	2,064,982	24,140	52,398	-
Less:				
2013-14 Expenditures	(1,599,650)	(17,859)	(21,166)	(31,560)
Receivables/Payables	188,618	-	-	-
Outstanding Loans	<u>2,348</u>	<u>-</u>	<u>-</u>	<u>31,560</u>
Cash June 30, 2014	<u>656,298</u>	<u>6,281</u>	<u>31,232</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	(97,984)	-	-	-
Cash per Books	<u>558,314</u>	<u>6,281</u>	<u>31,232</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	79,555	-	(31,232)	-
Fund Balance , Modified Accrual Basis	<u>\$ 637,869</u>	<u>6,281</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

State Account 27000	State Direct Account 28000	Local/State Account 29000	Public School Capital Outlay 31200	Capital Improvement 31700	Total
(226)	(33,362)	-	-	-	210,496
<u>1,731</u>	<u>105,849</u>	<u>51,186</u>	<u>30,338</u>	<u>33,865</u>	<u>2,120,405</u>
1,505	72,487	51,186	30,338	33,865	2,330,901
(2,947)	(107,177)	(14,108)	(60,676)	(2,857)	(1,858,000)
	1,051	-	-	-	189,669
<u>1,442</u>	<u>34,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,994</u>
<u>-</u>	<u>1,005</u>	<u>37,078</u>	<u>(30,338)</u>	<u>31,008</u>	<u>732,564</u>
-	-	-	30,338	-	(67,646)
<u>-</u>	<u>1,005</u>	<u>37,078</u>	<u>-</u>	<u>31,008</u>	<u>664,918</u>
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:					31,232
Balance Sheets- Governmental Funds:					<u>\$ 633,686</u>
-	(1,051)	-	-	-	47,272
<u>-</u>	<u>(46)</u>	<u>37,078</u>	<u>-</u>	<u>31,008</u>	<u>712,190</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	14,640
Receivables		
Due from Other Governments		14,381
Total Current Assets		<u>29,021</u>

Noncurrent Assets

Capital Assets		
Furniture, Fixtures, and Equipment		156,496
Less: Accumulated Depreciation		(140,475)
Total Noncurrent Assets		<u>16,021</u>

Total Assets		<u>45,042</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		13,132
Accrued Liabilities		45,867
Total Current Liabilities		<u>58,999</u>

Total Liabilities		<u>58,999</u>
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NET POSITION

Investment in Capital Assets		16,021
Restricted		1,017
Unrestricted (Deficit)		(30,995)
Total Net Position	\$	<u>(13,957)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,254,953	3,788	129,182	-	(1,121,983)
Support Services					
Students	40,493	-	-	-	(40,493)
Instruction	3,228	-	-	-	(3,228)
General Administration	43,282	-	-	-	(43,282)
School Administration	256,096	-	-	-	(256,096)
Central Services	137,617	-	-	-	(137,617)
Operation & Maintenance of Plant	239,340	-	-	-	(239,340)
Other Support Services	35,443	-	-	-	(35,443)
Food Services	83,449	25,360	-	-	(58,089)
Facilities Materials, Supplies & Other Services	147,985	-	-	147,985	-
Total Governmental Activities	\$ 2,241,886	29,148	129,182	147,985	(1,935,571)
General Revenues:					
State Equalization Guarantee					\$ 1,739,302
Miscellaneous					76,201
Total General Revenues					<u>1,815,503</u>
Change in Net Position					(120,068)
Net Position, Beginning					<u>106,111</u>
Net Position, Ending					<u>\$ (13,957)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 8,449	1,017	5,174	-	-
Accounts receivable					
Due from Government	-	-	-	-	2,587
Due From Other Funds	22,493	-	239	-	-
	<u>\$ 30,942</u>	<u>1,017</u>	<u>5,413</u>	<u>-</u>	<u>2,587</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 13,132	-	-	-	-
Accrued Expenditures	45,867	-	-	-	-
Due to Other Funds	135	-	8,216	-	2,587
Total Liabilities	<u>59,134</u>	<u>-</u>	<u>8,216</u>	<u>-</u>	<u>2,587</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	1,017	-	-	-
Unassigned (Deficit):	(28,192)	-	(2,803)	-	-
Total Fund Balances (Deficit)	<u>(28,192)</u>	<u>1,017</u>	<u>(2,803)</u>	<u>-</u>	<u>-</u>
	<u>\$ 30,942</u>	<u>1,017</u>	<u>5,413</u>	<u>-</u>	<u>2,587</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Spaceport Grant 26204	2012 SB-66 Student Library 27107	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	14,640
8,566	-	3,228	-	-	14,381
-	-	-	-	-	22,732
<u>8,566</u>	<u>-</u>	<u>3,228</u>	<u>-</u>	<u>-</u>	<u>51,753</u>
-	-	-	-	-	13,132
-	-	-	-	-	45,867
8,566	-	3,228	-	-	22,732
<u>8,566</u>	<u>-</u>	<u>3,228</u>	<u>-</u>	<u>-</u>	<u>81,731</u>
-	-	-	-	-	1,017
-	-	-	-	-	(30,995)
-	-	-	-	-	(29,978)
<u>8,566</u>	<u>-</u>	<u>3,228</u>	<u>-</u>	<u>-</u>	<u>51,753</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Alma D'Arte Charter High School
 Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances (Deficit) - Total Governmental Funds **\$ (29,978)**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	156,496	
Accumulated Depreciation	<u>(140,475)</u>	
		<u>16,021</u>

Net Position-Total Governmental Activities **\$ (13,957)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ -	-	-	-	-
State Grant	1,739,302	11,148	-	-	-
Federal Grant	-	-	38,630	19,024	39,440
Charges for Service	3,788	-	25,360	-	-
Miscellaneous	76,201	-	-	-	-
Total Revenues	<u>1,819,291</u>	<u>11,148</u>	<u>63,990</u>	<u>19,024</u>	<u>39,440</u>
Expenditures:					
Current:					
Instruction	1,162,973	17,189	-	19,024	20,925
Support Services:					
Students	21,978	-	-	-	18,515
Instruction	-	-	-	-	-
General Administration	43,282	-	-	-	-
School Administration	256,096	-	-	-	-
Central Services	137,617	-	-	-	-
Operation & Maintenance of Plant	239,340	-	-	-	-
Other Support Services Operations	35,443	-	-	-	-
Food Services Operations	13,694	-	69,755	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,910,423</u>	<u>17,189</u>	<u>69,755</u>	<u>19,024</u>	<u>39,440</u>
<i>Deficiency of Revenues</i>					
<i>Under Expenditures</i>	(91,132)	(6,041)	(5,765)	-	-
Net Changes in Fund Balances	<u>(91,132)</u>	<u>(6,041)</u>	<u>(5,765)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>62,940</u>	<u>7,058</u>	<u>2,962</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)- End of Year	<u>\$ (28,192)</u>	<u>1,017</u>	<u>(2,803)</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Spaceport Grant 26204	2012 SB-66 Student Library 27107	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	9,146	-	-	-	9,146
-	-	3,228	137,868	10,117	1,901,663
8,566	-	-	-	-	105,660
-	-	-	-	-	29,148
-	-	-	-	-	76,201
<u>8,566</u>	<u>9,146</u>	<u>3,228</u>	<u>137,868</u>	<u>10,117</u>	<u>2,121,818</u>
8,566	18,078	-	-	-	1,246,755
-	-	-	-	-	40,493
-	-	3,228	-	-	3,228
-	-	-	-	-	43,282
-	-	-	-	-	256,096
-	-	-	-	-	137,617
-	-	-	-	-	239,340
-	-	-	-	-	35,443
-	-	-	-	-	83,449
-	-	-	137,868	10,117	147,985
<u>8,566</u>	<u>18,078</u>	<u>3,228</u>	<u>137,868</u>	<u>10,117</u>	<u>2,233,688</u>
-	(8,932)	-	-	-	(111,870)
-	(8,932)	-	-	-	(111,870)
-	8,932	-	-	-	81,892
-	-	-	-	-	(29,978)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (111,870)**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position
 and allocated over their estimated useful lives as annual
 depreciation expenses in the Statement of Activities. This is the
 amount by which capital outlay exceeds depreciation for the
 period

Capital Outlays	-		
Depreciation Expense	(8,198)		(8,198)

Change in Net Position-Total Governmental Activities **\$ (120,068)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 4,337</u>
Total Assets	<u><u>\$ 4,337</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 4,337</u>
Total Liabilities	<u><u>\$ 4,337</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Alma D'Arte Charter High School
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 1,868	15,186	12,717	4,337
Total Assets	<u>\$ 1,868</u>	<u>15,186</u>	<u>12,717</u>	<u>4,337</u>
LIABILITIES				
Deposits Held for Others	\$ 1,868	15,186	12,717	4,337
Total Liabilities	<u>\$ 1,868</u>	<u>15,186</u>	<u>12,717</u>	<u>4,337</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D’arte Charter High School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The State’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Alma D’Arte Charter High School (ADCHS) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ADCHS utilizes internal guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 10 years

Capital assets for the ADCHS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 156,496	-	-	156,496
Total	156,496	-	-	156,496
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(132,277)	(8,198)	-	(140,475)
Total	(132,277)	(8,198)	-	(140,475)
Capital Assets, Net	\$ 24,219	(8,198)	-	16,021

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 8,198
Total	\$ 8,198

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'arte Charter High School
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

Leases

Facilities were leased under a short-term cancelable operating lease. Expenditures for the year ended June 30, 2014, were \$137,868.

The following is a schedule of operating lease payments as of June 30, 2014:

Year Ending June 30:		
2015	\$	137,868
2016		137,868
2017		137,868
2018		137,868
2019		137,868
2020		137,868
Total Operating Lease Payments	\$	<u>827,208</u>

NOTE 4. RELATED PARTIES

The Business Manager of ADCHS is also the Business Manager of J. Paul Taylor Academy.

NOTE 5. DEFICIT FUND BALANCE AND NET POSITION

At June 30, 2014, the Operational Fund (11000) and the Food Service Fund (21000) had a deficit fund balance of \$28,192 and \$2,803, respectively. This deficit will be eliminated as revenues are expected to exceed expenditures in the next fiscal year. Additionally, Net Position of the ADCHS is a deficit as of year-end in the amount of \$13,957.

NOTE 6. OVERSPENT BUDGET LINE ITEM

As stated in the finding 2014-002 ADCHS had expenditures in excess of the budget in the following fund:

21000 Food Services (Food Service Operations)	\$	4,093
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,734,846	1,739,302	1,739,302	-
Charges for Services	3,300	3,300	3,788	488
Miscellaneous	-	76,201	76,201	-
Total Revenues	<u>1,738,146</u>	<u>1,818,803</u>	<u>1,819,291</u>	<u>488</u>
Expenditures:				
Current:				
Instruction	1,126,685	1,136,685	1,136,185	500
Support Services:				
Students	10,000	21,600	21,578	22
General Administration	23,600	39,556	39,094	462
School Administration	255,911	255,911	250,539	5,372
Central Services	142,141	142,141	135,231	6,910
Operation & Maintenance of Plant	262,131	236,692	229,039	7,653
Other Support Services Operations	-	35,443	35,443	-
Food Services Operations	17,678	17,678	13,483	4,195
Total Expenditures	<u>1,838,146</u>	<u>1,885,706</u>	<u>1,860,592</u>	<u>25,114</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(100,000)</u>	<u>(66,903)</u>	<u>(41,301)</u>	<u>25,602</u>
Other Financing Sources (Uses):				
Designated Cash	100,000	66,903	-	(66,903)
Total Other Financing Sources (Uses):	<u>100,000</u>	<u>66,903</u>	<u>-</u>	<u>(66,903)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(41,301)</u>	<u>(41,301)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>66,903</u>	<u>66,903</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>25,602</u>	<u>25,602</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(49,831)	
NET CHANGE IN FUND BALANCE			<u>\$ (91,132)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	12,207	11,148	(1,059)
Total Revenues	<u>-</u>	<u>12,207</u>	<u>11,148</u>	<u>(1,059)</u>
Expenditures:				
Current:				
Instruction	4,982	17,189	17,189	-
Total Expenditures	<u>4,982</u>	<u>17,189</u>	<u>17,189</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>(4,982)</u>	<u>(4,982)</u>	<u>(6,041)</u>	<u>(1,059)</u>
Other Financing Sources (Uses):				
Designated Cash	4,982	4,982	-	(4,982)
Total Other Financing Sources (Uses):	<u>4,982</u>	<u>4,982</u>	<u>-</u>	<u>(4,982)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,041)</u>	<u>(6,041)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,058</u>	<u>7,058</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,017</u>	<u>1,017</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (6,041)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 40,000	40,000	38,630	(1,370)
Charges for Services	22,000	22,000	25,360	3,360
Total Revenues	<u>62,000</u>	<u>62,000</u>	<u>63,990</u>	<u>1,990</u>
Expenditures:				
Current:				
Food Services Operations	62,000	65,662	69,755	(4,093)
Total Expenditures	<u>62,000</u>	<u>65,662</u>	<u>69,755</u>	<u>(4,093)</u>
Deficiency of Revenues				
Under Expenditures	-	(3,662)	(5,765)	(2,103)
Other Financing Sources (Uses):				
Designated Cash	-	3,662	-	(3,662)
Total Other Financing Sources (Uses):	<u>-</u>	<u>3,662</u>	<u>-</u>	<u>(3,662)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,765)</u>	<u>(5,765)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,662</u>	<u>3,662</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,103)</u>	<u>(2,103)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (5,765)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal grant	\$ 21,887	24,077	18,758	(5,319)
Total Revenues	21,887	24,077	18,758	(5,319)
Expenditures:				
Current:				
Instruction	21,887	24,077	19,024	5,053
Total expenditures	21,887	24,077	19,024	5,053
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	(266)	(266)
Net changes in fund balances	-	-	(266)	(266)
Cash or fund balances - beginning of year	-	-	-	-
Cash or fund balances - end of year	\$ -	-	(266)	(266)
Reconciliation to GAAP Basis:				
Adjustments to revenues			266	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	39,440	36,853	(2,587)
Total Revenues	<u>-</u>	<u>39,440</u>	<u>36,853</u>	<u>(2,587)</u>
Expenditures:				
Current:				
Instruction	-	20,925	20,925	-
Support Services:				
Students	-	18,515	18,515	-
Total Expenditures	<u>-</u>	<u>39,440</u>	<u>39,440</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(2,587)</u>	<u>(2,587)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,587)</u>	<u>(2,587)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,587)</u>	<u>(2,587)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,587	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/Principal Training 24154
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 6,234	13,735	-	(13,735)
Total Revenues	<u>6,234</u>	<u>13,735</u>	<u>-</u>	<u>(13,735)</u>
Expenditures:				
Current:				
Instruction	6,234	13,735	8,566	5,169
Total Expenditures	<u>6,234</u>	<u>13,735</u>	<u>8,566</u>	<u>5,169</u>
Deficiency of Revenues Under Expenditures	-	-	(8,566)	(8,566)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,566)</u>	<u>(8,566)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,566)</u>	<u>(8,566)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			8,566	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
ALMA D'ARTE CHARTER HIGH SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant 26204
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	9,146	9,146	-
Total Revenues	<u>-</u>	<u>9,146</u>	<u>9,146</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	18,078	18,078	-
Total Expenditures	<u>-</u>	<u>18,078</u>	<u>18,078</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	(8,932)	(8,932)	-
Other Financing Sources (Uses):				
Designated Cash	-	8,932	-	(8,932)
Total Other Financing Sources (Uses):	<u>-</u>	<u>8,932</u>	<u>-</u>	<u>(8,932)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,932)</u>	<u>(8,932)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,932</u>	<u>8,932</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (8,932)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,228	3,228	-	(3,228)
Total Revenues	<u>3,228</u>	<u>3,228</u>	<u>-</u>	<u>(3,228)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,228	3,228	3,228	-
Total Expenditures	<u>3,228</u>	<u>3,228</u>	<u>3,228</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(3,228)	(3,228)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,228)</u>	<u>(3,228)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,932</u>	<u>8,932</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,704</u>	<u>5,704</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,228	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	138,619	137,868	(751)
Total Revenues	<u>-</u>	<u>138,619</u>	<u>137,868</u>	<u>(751)</u>
Expenditures:				
Capital Outlay	-	138,619	137,868	751
Total Expenditures	<u>-</u>	<u>138,619</u>	<u>137,868</u>	<u>751</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	10,117	10,117	-
Total Revenues	<u>-</u>	<u>10,117</u>	<u>10,117</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	10,117	10,117	-
Total Expenditures	<u>-</u>	<u>10,117</u>	<u>10,117</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Alma D'Arte Charter High School
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	66,777
Less: FDIC Coverage:		<u>(66,777)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance (Under) Collateralized:		<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Alma D'Arte Charter High School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Century Bank</u>
Checking - Operational Account	\$ 55,247
Checking - Food Service	5,320
Checking - Student Activities Account	<u>6,210</u>
<i>Total on Deposit</i>	66,777
Reconciling Items	<u>(47,800)</u>
Reconciled Balance June 30, 2014	<u>18,977</u>
Less: Agency Funds	<u>(4,337)</u>
<i>Total Cash</i>	<u><u>\$ 14,640</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Alma D'Arte Charter High School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Student Activity Fund 23000
Cash, June 30, 2013	\$ 62,940	7,058	2,962	1,868
Add:				
2013-14 Revenues	<u>1,819,291</u>	<u>11,148</u>	<u>63,990</u>	<u>15,186</u>
Total Cash Available	1,882,231	18,206	66,952	17,054
Less:				
2013-14 Expenditures	(1,860,592)	(17,189)	(69,755)	(12,717)
Receivables/Payables	1,326	-	-	-
Outstanding Loans	<u>(135)</u>	<u>-</u>	<u>7,977</u>	<u>-</u>
Cash June 30, 2014	<u>22,830</u>	<u>1,017</u>	<u>5,174</u>	<u>4,337</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>(14,381)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>8,449</u>	<u>1,017</u>	<u>5,174</u>	<u>4,337</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(36,641)</u>	<u>-</u>	<u>(7,977)</u>	<u>(4,337)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ (28,192)</u>	<u>1,017</u>	<u>(2,803)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Local Grants Account 26000	State Flow Through Account 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	8,932	-	-	-	83,760
36,853	9,146	-	137,868	10,117	2,103,599
36,853	18,078	-	137,868	10,117	2,187,359
(48,006)	(18,078)	(3,228)	(137,868)	(10,117)	(2,177,550)
-	-	-	-	-	1,326
-	-	-	-	-	7,842
(11,153)	-	(3,228)	-	-	18,977
11,153	-	3,228	-	-	-
-	-	-	-	-	18,977
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:					(4,337)
Balance Sheets - Governmental Funds:					\$ 14,640
-	-	-	-	-	(48,955)
-	-	-	-	-	(29,978)

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME IV



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 1,125,003
Restricted Cash	10,000
Receivables	
Due from Other Governments	43,888
Due from Other	4,200
Total Current Assets	<u>1,183,091</u>

Noncurrent Assets

Capital Assets	
Land and Land Improvements	33,950
Building and Improvements	3,978,516
Furniture, Fixtures, and Equipment	171,202
Less: Accumulated Depreciation	<u>(1,078,654)</u>
Total Noncurrent Assets	<u>3,105,014</u>
Total Assets	<u>4,288,105</u>

LIABILITIES

Current Liabilities:

Accounts Payable	<u>18,432</u>
Total Current Liabilities	<u>18,432</u>
Total Liabilities	<u>18,432</u>

NET POSITION

Investment in Capital Assets	3,105,014
Restricted	386,135
Unrestricted	<u>778,524</u>
Total Net Position	<u>\$ 4,269,673</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,601,765	19,430	302,725	-	(1,279,610)
Support services:					
Students	437,849	-	-	-	(437,849)
Instruction	68,539	-	-	-	(68,539)
General Administration	159,148	-	-	-	(159,148)
School Administration	259,474	-	-	-	(259,474)
Central Services	155,994	-	-	-	(155,994)
Operation & Maintenance of Plant	265,907	-	-	-	(265,907)
Other Support Service	149,829	-	-	-	(149,829)
Student Transportation	5,400	-	-	-	(5,400)
Food Services	49,756	5,489	27,964	-	(16,303)
Facilities Materials, Supplies & Other Services	210,287	-	-	11,503	(198,784)
Total Governmental Activities	\$ 3,363,948	24,919	330,689	11,503	(2,996,837)
General Revenues:					
State Equalization Guarantee					\$ 2,725,172
Property Taxes					253,735
Miscellaneous					151,866
Total General Revenues					<u>3,130,773</u>
Change in Net Position					133,936
Net Position, Beginning					3,901,722
Restatement (Note 6)					234,015
Net Position- beginning, Restated					<u>4,135,737</u>
Net Position, Ending					<u>\$ 4,269,673</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 575,990	7,411	-	-	-
Restricted Cash	-	-	-	-	-
Accounts Receivable					
Due from Government	9,831	-	-	6,829	13,547
Due from Other Funds	26,874	-	-	-	-
Other	-	-	-	-	-
Total Assets	\$ 612,695	7,411	-	6,829	13,547
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 3,044	-	-	-	-
Due to Other Funds	-	-	-	6,829	13,547
Total Liabilities	3,044	-	-	6,829	13,547
Fund Balances					
Fund Balance:					
Restricted for:					
Instruction	-	7,411	-	-	-
Capital Improvements	-	-	-	-	-
Unassigned:	609,651	-	-	-	-
Total Fund Balances	609,651	7,411	-	-	-
Total Liabilities and Fund Balance	\$ 612,695	7,411	-	6,829	13,547

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	Amy Biehl High School Foundation 26187	Dual Credit Instructional Materials 27103	Beginning Teacher Mentoring 27154	Next Generation Assessments 27185
-	-	-	2,512	-	5,494	-
-	-	-	-	-	-	-
-	3,035	-	-	3,463	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,035	-	2,512	3,463	5,494	-
-	-	-	-	-	-	-
-	3,035	-	-	3,463	-	-
-	3,035	-	-	3,463	-	-
-	-	-	2,512	-	5,494	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,512	-	5,494	-
-	3,035	-	2,512	3,463	5,494	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Balance Sheets - Governmental Funds - Continued
June 30, 2014

	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation	Total
ASSETS						
Cash and Cash Equivalents	\$ -	-	336,788	41,599	155,209	1,125,003
Restricted Cash	-	-	-	-	10,000	10,000
Accounts Receivable						
Due from Government	-	-	3,746	3,437	-	43,888
Due from Other Funds	-	-	-	-	-	26,874
Other	-	-	-	-	4,200	4,200
Total Assets	\$ -	-	340,534	45,036	169,409	1,209,965
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ -	-	14,321	531	536	18,432
Due to Other Funds	-	-	-	-	-	26,874
Total Liabilities	-	-	14,321	531	536	45,306
Fund Balances						
Fund Balance:						
Restricted for:						
Instruction	-	-	-	-	-	15,417
Capital Improvements	-	-	326,213	44,505	-	370,718
Unassigned:	-	-	-	-	168,873	778,524
Total Fund Balances	-	-	326,213	44,505	168,873	1,164,659
Total Liabilities and Fund Balance	\$ -	-	340,534	45,036	169,409	1,209,965

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Reconciliation of the Balance Sheets - Government Funds to the Statement of Net Position
June 30, 2014

Fund Balance - Total Government Funds **\$ 1,164,659**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	4,183,668	
Accumulated Depreciation	(1,078,654)	
	3,105,014	3,105,014

Net Position-Total Governmental Activities **\$ 4,269,673**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	23,025	191	2,876	-	-
State Grant	2,725,172	17,790	-	-	-
Federal Grant	-	-	25,088	67,032	51,259
Charges for Services	19,430	-	5,489	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	2,767,627	17,981	33,453	67,032	51,259
Expenditures:					
Current:					
Instruction	1,396,642	22,202	-	67,032	48,423
Support Services:					
Students	405,431	-	-	-	2,836
Instruction	59,141	-	-	-	-
General Administration	156,404	-	-	-	-
School Administration	224,014	-	-	-	-
Central Services	155,660	-	-	-	-
Operation & Maintenance of Plant	265,907	-	-	-	-
Student Transportation	5,400	-	-	-	-
Other Support Services Operations	-	-	-	-	-
Food Services Operations	15,008	-	33,453	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	2,683,607	22,202	33,453	67,032	51,259
Net Changes in Fund Balances	84,020	(4,221)	-	-	-
Fund Balances - Beginning of Year	525,631	11,632	-	-	-
Restatement (Note 6)	-	-	-	-	-
Fund Balances- Restated	525,631	11,632	-	-	-
Fund Balances - End of Year	\$ 609,651	7,411	-	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	Amy Biehl High School Foundation 26187	Dual Credit Instructional Materials 27103	Beginning Teacher Mentoring 27154	Next Generation Assessments 27185
-	-	-	-	-	-	-
-	-	-	73,124	-	-	-
-	-	-	-	6,348	-	2,478
616	9,106	48,006	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>616</u>	<u>9,106</u>	<u>48,006</u>	<u>73,124</u>	<u>6,348</u>	<u>-</u>	<u>2,478</u>
-	7,390	6,301	43,677	6,348	-	-
616	1,466	-	27,500	-	-	-
-	-	6,920	-	-	-	2,478
-	-	-	184	-	-	-
-	250	34,785	425	-	-	-
-	-	-	334	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,295	-	-	-
-	-	-	-	-	-	-
<u>616</u>	<u>9,106</u>	<u>48,006</u>	<u>73,415</u>	<u>6,348</u>	<u>-</u>	<u>2,478</u>
-	-	-	(291)	-	-	-
-	-	-	2,803	-	5,494	-
-	-	-	-	-	-	-
-	-	-	2,803	-	5,494	-
-	-	-	2,512	-	5,494	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Statement of Revenues, Expenditures, and Changes in Fund Balances - Continued
Governmental Funds
For the Year Ended June 30, 2014

	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation	Total
Revenues:						
Property Taxes	\$ -	-	174,423	79,312	-	253,735
Local & County Grant	3,750	-	-	-	-	102,966
State Grant	-	1,155	-	10,348	-	2,763,291
Federal Grant	-	-	-	-	-	201,107
Charges for Services	-	-	-	-	-	24,919
Miscellaneous	-	-	-	-	151,866	151,866
Total Revenues	3,750	1,155	174,423	89,660	151,866	3,497,884
Expenditures:						
Current:						
Instruction	3,750	-	-	-	-	1,601,765
Support Services:						
Students	-	-	-	-	-	437,849
Instruction	-	-	-	-	-	68,539
General Administration	-	-	1,767	793	-	159,148
School Administration	-	-	-	-	-	259,474
Central Services	-	-	-	-	-	155,994
Operation & Maintenance of Plant	-	-	-	-	-	265,907
Student Transportation	-	-	-	-	-	5,400
Other Support Services Operations	-	-	-	-	149,829	149,829
Food Services Operations	-	-	-	-	-	49,756
Capital Outlay	-	1,155	80,458	44,362	-	125,975
Total Expenditures	3,750	1,155	82,225	45,155	149,829	3,279,636
Net Changes in Fund Balances	-	-	92,198	44,505	2,037	218,248
Fund Balances - Beginning of Year	-	-	-	-	166,836	712,396
Restatement (Note 6)	-	-	234,015	-	-	234,015
Fund Balances- Restated	-	-	234,015	-	166,836	946,411
Fund Balances - End of Year	\$ -	-	326,213	44,505	168,873	1,164,659

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 218,248**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental activities
 those costs are shown in the statement of Net Position and allocated over
 their estimated useful lives as annual depreciation expenses in the Statement
 of Activities. This is the amount by which capital outlay exceeds depreciation
 for the period.

Capital Outlay	35,808	
Depreciation Expense	<u>(120,120)</u>	
		<u>(84,312)</u>

Change in Net-Position-Total Governmental Activities **\$ 133,936**

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Amy Biehl Charter High School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 10,685</u>
Total Assets	<u><u>\$ 10,685</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 10,685</u>
Total Liabilities	<u><u>\$ 10,685</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 14,159	9,258	12,732	10,685
Total Assets	<u>\$ 14,159</u>	<u>9,258</u>	<u>12,732</u>	<u>10,685</u>
LIABILITIES				
Deposits Held for Others	\$ 14,159	9,258	12,732	10,685
Total Liabilities	<u>\$ 14,159</u>	<u>9,258</u>	<u>12,732</u>	<u>10,685</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Amy Biehl Charter High School's (ABCCHS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The ABCCHS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ABCCHS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Computer equipment and business machines	5 years
General equipment and musical instruments	8 years
Vehicles, trucks, and trailers	8 years
Furniture, major appliances, and large equipment	10 years
Portable school buildings	25 years
Improvements to land and buildings	20 years
Buildings	40 years

Capital assets for the component unit are recorded in the statement of net position.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 154,785	16,417	-	171,202
Land and Land Improvements	33,950	-	-	33,950
Building and Improvements	3,959,125	19,391	-	3,978,516
Total	<u>4,147,860</u>	<u>35,808</u>	<u>-</u>	<u>4,183,668</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(112,175)	(17,696)	-	(129,871)
Land and Land Improvements	(3,911)	(871)	-	(4,782)
Building and Improvements	(842,448)	(101,553)	-	(944,001)
Total	<u>(958,534)</u>	<u>(120,120)</u>	<u>-</u>	<u>(1,078,654)</u>
Net Fixed Assets	<u>\$ 3,189,326</u>	<u>(84,312)</u>	<u>-</u>	<u>3,105,014</u>

Depreciation expense for the year ended June 30, 2014 was expensed to the following functions:

Facilities Materials, Supplies and Other Services	\$ 120,120
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NOTE 3. COMMITMENTS AND CONTINGENCIES

Leases

The ABCHS leased equipment under a long-term cancelable operating lease. Facilities were leased under a short-term cancelable operating lease. Expenses for the year ended June 30, 2014 were \$9,244.

The following is a schedule of operating lease payments as of June 30, 2014:

Year Ending June 30:	
2015	\$ 13,008
2016	11,808
2017	11,808
2018	7,872
Total operating lease payments	<u>\$ 44,496</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014**

NOTE 4. RELATED PARTIES

The ABCHS has a Foundation that donates various funds to the school. The foundation is presented as a blended component unit of the ABCHS.

NOTE 5. PRIOR PERIOD ADJUSTMENT

During the current year, the ABCHS determined that \$234,015 was reported as unspent property tax revenue as of June 30, 2013, in the HB-33 Capital Improvement fund. As a result beginning fund balance was restated in the amount of \$234,015.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 11,200	12,612	24,238	11,626
State Grant	2,682,148	2,725,172	2,725,172	-
Charges for Services	19,476	19,476	19,430	(46)
Total Revenues	<u>2,712,824</u>	<u>2,757,260</u>	<u>2,768,840</u>	<u>11,580</u>
Expenditures:				
Current:				
Instruction	1,669,391	1,619,510	1,395,997	223,513
Support Services:				
Students	462,464	525,257	405,431	119,826
Instruction	99,905	104,405	59,141	45,264
General Administration	185,327	187,927	159,837	28,090
School Administration	256,115	266,115	224,464	41,651
Central Services	164,729	174,534	155,660	18,874
Operation & Maintenance of Plant	364,064	372,064	264,591	107,473
Student Transportation	6,000	6,000	5,400	600
Food Services Operations	20,000	21,000	15,008	5,992
Total Expenditures	<u>3,227,995</u>	<u>3,276,812</u>	<u>2,685,529</u>	<u>591,283</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(515,171)</u>	<u>(519,552)</u>	<u>83,311</u>	<u>602,863</u>
Other Financing Sources (Uses):				
Designated Cash	515,171	519,552	-	(519,552)
Total Other Financing Sources (Uses):	<u>515,171</u>	<u>519,552</u>	<u>-</u>	<u>(519,552)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>83,311</u>	<u>83,311</u>
Cash or Fund Balances - Beginning of Year			<u>519,552</u>	<u>519,552</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>602,863</u>	<u>602,863</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,213)	
Adjustments to Expenditures			1,922	
NET CHANGE IN FUND BALANCE			<u>\$ 84,020</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	3,233	3,233
State Grant	15,636	20,834	17,790	(3,044)
Total Revenues	<u>15,636</u>	<u>20,834</u>	<u>21,023</u>	<u>189</u>
Expenditures:				
Current:				
Instruction	24,576	29,424	22,202	7,222
Total Expenditures	<u>24,576</u>	<u>29,424</u>	<u>22,202</u>	<u>7,222</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(8,940)</u>	<u>(8,590)</u>	<u>(1,179)</u>	<u>7,411</u>
Other Financing Sources (Uses):				
Designated Cash	8,940	8,590	-	(8,590)
Total Other Financing Sources (Uses):	<u>8,940</u>	<u>8,590</u>	<u>-</u>	<u>(8,590)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,179)</u>	<u>(1,179)</u>
Cash or Fund Balances - Beginning of Year			<u>8,590</u>	<u>8,590</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,411</u>	<u>7,411</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(3,042)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (4,221)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	2,876	2,876
Federal Grant	24,650	26,650	27,964	1,314
Charges for Service	8,350	8,350	5,489	(2,861)
Total Revenues	<u>33,000</u>	<u>35,000</u>	<u>36,329</u>	<u>1,329</u>
Expenditures:				
Current:				
Food Services Operations	33,000	35,000	33,453	1,547
Total Expenditures	<u>33,000</u>	<u>35,000</u>	<u>33,453</u>	<u>1,547</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	2,876	2,876
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,876</u>	<u>2,876</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(2,876)</u>	<u>(2,876)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustment to Revenues			<u>(2,876)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 60,902	77,496	86,872	9,376
Total Revenues	<u>60,902</u>	<u>77,496</u>	<u>86,872</u>	<u>9,376</u>
Expenditures:				
Current:				
Instruction	60,902	77,496	67,032	10,464
Total Expenditures	<u>60,902</u>	<u>77,496</u>	<u>67,032</u>	<u>10,464</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>19,840</u>	<u>19,840</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>19,840</u>	<u>19,840</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(26,669)</u>	<u>(26,669)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,829)</u>	<u>(6,829)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(19,840)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 48,424	51,260	44,314	(6,946)
Total Revenues	<u>48,424</u>	<u>51,260</u>	<u>44,314</u>	<u>(6,946)</u>
Expenditures:				
Current:				
Instruction	48,424	48,424	48,422	2
Support Services:				
Students	-	2,836	2,836	-
Total Expenditures	<u>48,424</u>	<u>51,260</u>	<u>51,258</u>	<u>2</u>
Deficiency of Revenues				
Under Expenditures	-	-	(6,944)	(6,944)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,944)</u>	<u>(6,944)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(6,603)</u>	<u>(6,603)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,547)</u>	<u>(13,547)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			6,944	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	616	616	-
Total Revenues	<u>-</u>	<u>616</u>	<u>616</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	616	616	-
Total Expenditures	<u>-</u>	<u>616</u>	<u>616</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Amy Biehl Charter High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 9,165	11,025	6,927	(4,098)
Total Revenues	<u>9,165</u>	<u>11,025</u>	<u>6,927</u>	<u>(4,098)</u>
Expenditures:				
Current:				
Instruction	6,665	8,525	7,390	1,135
Support Services:				
Students	1,300	1,766	1,466	300
School Administration	1,200	734	250	484
Total Expenditures	<u>9,165</u>	<u>11,025</u>	<u>9,106</u>	<u>1,919</u>
Deficiency of Revenues				
Under Expenditures	-	-	(2,179)	(2,179)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,179)</u>	<u>(2,179)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(856)</u>	<u>(856)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,035)</u>	<u>(3,035)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,179	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvement 24162
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 50,852	60,852	86,463	25,611
Total Revenues	<u>50,852</u>	<u>60,852</u>	<u>86,463</u>	<u>25,611</u>
Expenditures:				
Current:				
Instruction	7,814	7,814	6,301	1,513
Support Services:				
Instruction	8,430	15,747	6,920	8,827
School Administration	34,608	37,291	34,785	2,506
Total Expenditures	<u>50,852</u>	<u>60,852</u>	<u>48,006</u>	<u>12,846</u>
Excess of Revenues Over Expenditures	-	-	38,457	38,457
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>38,457</u>	<u>38,457</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(38,457)</u>	<u>(38,457)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(38,457)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Amy Biehl High School Foundation 26187
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 30,000	77,500	73,124	(4,376)
Total Revenues	<u>30,000</u>	<u>77,500</u>	<u>73,124</u>	<u>(4,376)</u>
Expenditures:				
Current:				
Instruction	28,000	45,517	43,677	1,840
Support Services:				
Students	-	27,500	27,500	-
Instruction	1,984	1,817	-	1,817
General Administration	136	2,184	184	2,000
School Administration	850	850	425	425
Central Services	-	335	334	1
Food Services Operations	2,000	2,100	1,295	805
Total Expenditures	<u>32,970</u>	<u>80,303</u>	<u>73,415</u>	<u>6,888</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(2,970)</u>	<u>(2,803)</u>	<u>(291)</u>	<u>2,512</u>
Other Financing Sources (Uses):				
Designated Cash	2,970	2,803	-	(2,803)
Total Other Financing Sources (Uses):	<u>2,970</u>	<u>2,803</u>	<u>-</u>	<u>(2,803)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(291)</u>	<u>(291)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,803</u>	<u>2,803</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,512</u>	<u>2,512</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (291)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Amy Biehl Charter High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Dual Credit Instructional Materials 27103
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	6,349	2,885	(3,464)
Total Revenues	<u>-</u>	<u>6,349</u>	<u>2,885</u>	<u>(3,464)</u>
Expenditures:				
Current:				
Instruction	-	6,349	6,348	1
Total Expenditures	<u>-</u>	<u>6,349</u>	<u>6,348</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	-	-	(3,463)	(3,463)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,463)</u>	<u>(3,463)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,463)</u>	<u>(3,463)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,463	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Amy Biehl Charter High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Next Generation Assessments 27185
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	2,479	2,478	(1)
Total Revenues	<u>-</u>	<u>2,479</u>	<u>2,478</u>	<u>(1)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	2,479	2,478	1
Total Expenditures	<u>-</u>	<u>2,479</u>	<u>2,478</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Amy Biehl Charter High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Private Dir Grants (Categorical) 29102
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	3,750	3,750	-
Total Revenues	<u>-</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	3,750	3,750	-
Total Expenditures	<u>-</u>	<u>3,750</u>	<u>3,750</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Amy Biehl Charter High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public School Capital Outlay 31200
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	1,155	1,155	-
Total Revenues	<u>-</u>	<u>1,155</u>	<u>1,155</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	1,155	1,155	-
Total Expenditures	<u>-</u>	<u>1,155</u>	<u>1,155</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 169,894	169,894	173,280	3,386
Total Revenues	<u>169,894</u>	<u>169,894</u>	<u>173,280</u>	<u>3,386</u>
Expenditures:				
Current:				
Support Services:				
General Administration	1,700	2,000	1,729	271
Capital Outlay	408,423	411,235	78,104	333,131
Total Expenditures	<u>410,123</u>	<u>413,235</u>	<u>79,833</u>	<u>333,402</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(240,229)</u>	<u>(243,341)</u>	<u>93,447</u>	<u>336,788</u>
Other Financing Sources (Uses):				
Designated Cash	240,229	243,341	-	(243,341)
Total Other Financing Sources (Uses):	<u>240,229</u>	<u>243,341</u>	<u>-</u>	<u>(243,341)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>93,447</u>	<u>93,447</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>243,341</u>	<u>243,341</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>336,788</u>	<u>336,788</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,143	
Adjustments to Expenditures			<u>(2,392)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 92,198</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 84,947	84,947	77,679	(7,268)
State Grant	7,068	13,775	8,528	(5,247)
Total Revenues	<u>92,015</u>	<u>98,722</u>	<u>86,207</u>	<u>(12,515)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	-	900	777	123
Capital Outlay	92,015	97,822	43,832	53,990
Total Expenditures	<u>92,015</u>	<u>98,722</u>	<u>44,609</u>	<u>54,113</u>
Excess of Revenues Over Expenditures	-	-	41,598	41,598
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>41,598</u>	<u>41,598</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>41,598</u>	<u>41,598</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,453	
Adjustments to Expenditures			(546)	
NET CHANGE IN FUND BALANCE			<u>\$ 44,505</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
US Bank	FHLMC GOLD POOL B15138	312967V74	6/1/2019	\$ 625,099
				<u>\$ 625,099</u>

Total Cash per Schedule of Cash Accounts:	\$ 1,198,375
Less: FDIC Coverage:	<u>(628,786)</u>
Uninsured Public Funds:	569,589

Collateral Requirement:	284,795
Pledged Collateral Held by Pledging Financial Institution:	<u>625,099</u>
Balance Over Collateralized:	<u>340,305</u>

Balance Uninsured and Uncollateralized at June 30, 2014: \$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Amy Biehl Charter High School
Schedule of Cash Accounts
June 30, 2014

Bank Account Type	US Bank	New Mexico Bank & Trust	Total
Checking - Operational Account	\$ 808,096	222,414	1,030,510
Checking - Activity Account	11,493	-	11,493
Checking - Foundation	36,318	-	36,318
Money Market - Foundation	41,665	-	41,665
Money Market - Foundation - Restricted	28,276	-	28,276
CD - Foundation	-	50,113	50,113
Total on Deposit	925,848	272,527	1,198,375
Reconciling Items	(62,687)	-	(62,687)
Reconciled Balance June 30, 2014	863,161	272,527	1,135,688
Less: Agency Funds	(10,685)	-	(10,685)
Total Cash	\$ 852,476	272,527	1,125,003

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
AMY BIEHL CHARTER HIGH SCHOOL
Amy Biehl Charter High School
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non- Instructional Account 23000	Federal Project Account 24000
Cash, June 30, 2013	\$ 525,631	11,632	(2,876)	-	(72,584)
Add:					
2013-14 Revenues	<u>2,768,840</u>	<u>21,023</u>	<u>36,329</u>	<u>23,417</u>	<u>225,191</u>
Total Cash Available	3,294,471	32,655	33,453	23,417	152,607
Less:					
2013-14 Expenditures	(2,682,816)	(22,202)	(33,453)	(12,732)	(176,018)
Receivables/Payables	(8,791)	-	-	-	-
Cash June 30, 2014	<u>602,864</u>	<u>10,453</u>	<u>-</u>	<u>10,685</u>	<u>(23,411)</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	(26,874)	(3,042)	-	-	23,411
Cash per Books	<u>575,990</u>	<u>7,411</u>	<u>-</u>	<u>10,685</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	33,661	-	-	(10,685)	-
Fund Balance, Modified Accrual Basis	<u>\$ 609,651</u>	<u>7,411</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

The accompanying notes are an integral part of these financial statements

Title I School Improvement 26000	State Flowthrough Account 27000	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
2,803	5,494	-	-	234,015	-	704,115
73,124	5,363	3,750	1,155	173,280	86,208	3,417,680
75,927	10,857	3,750	1,155	407,295	86,208	4,121,795
(73,415)	(8,826)	(3,750)	(1,155)	(79,833)	(44,609)	(3,138,809)
-	-	-	-	9,326	-	535
2,512	2,031	-	-	336,788	41,599	983,521
-	3,463	-	-	-	-	(3,042)
2,512	5,494	-	-	336,788	41,599	980,479
Less: Activity Funds per Schedule of Changes in Assets and Liabilities- Agency Funds:						(10,685)
* Foundation:						165,209
Less: Foundation Restricted Held by ACF:						(10,000)
Balance Sheets - Government Funds:						<u>1,125,003</u>
-	-	-	-	(10,575)	2,906	15,307
2,512	5,494	-	-	326,213	44,505	995,786
* Foundation:						168,873
Balance Sheets - Government Funds:						<u>\$ 1,164,659</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Anthony Charter School
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets:

Cash	\$ 292,720
Receivables	
Due from Other Governments	53,847
Total Current Assets	<u>346,567</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	724,827
Furniture, Fixtures, and Equipment	19,873
Less: Accumulated Depreciation	(19,873)
Total Noncurrent Assets	<u>724,827</u>

Total Assets	<u>1,071,394</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	7,060
Accrued Liabilities	6,645
Total Current Liabilities	<u>13,705</u>

Total Liabilities	<u>13,705</u>
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NET POSITION

Investment in Capital Assets	724,827
Restricted	45,384
Unrestricted	287,478

Total Net Position	<u>\$ 1,057,689</u>
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The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 368,822	220	40,980	-	(327,622)
Support Services:					
Students	14,747	-	-	-	(14,747)
Instruction	210	-	-	-	(210)
General Administration	26,689	-	-	-	(26,689)
School Administration	169,534	-	-	-	(169,534)
Central Services	72,448	-	-	-	(72,448)
Operation & Maintenance of Plant	150,121	-	-	-	(150,121)
Food Services	36,046	-	17,350	-	(18,696)
Facilities Materials, Supplies & Other Services	7,936	-	-	102,033	94,097
Total Governmental Activities	\$ 846,553	220	58,330	102,033	(685,970)
General Revenues:					
Property Taxes					\$ 6,214
State Equalization Guarantee					790,003
Total General Revenues					796,217
Change in Net Position					110,247
Special Item					947,442
Net position, Ending					<u>\$ 1,057,689</u>

The accompanying notes are an integral part of these financials

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ 272,978	4,642	-	-
Accounts Receivable				
Due from Government	-	-	-	14,599
Due from Other Funds	35,261	-	-	-
Total Asset	\$ 308,239	4,642	-	14,599
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 7,060	-	-	-
Accrued Expenses	6,637	-	-	3
Due to Other Funds	-	-	7,064	14,596
Total Liabilities	13,697	-	7,064	14,599
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	4,642	-	-
Spaceport Grant	-	-	-	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	294,542	-	(7,064)	-
Total Fund Balance (Deficit)	294,542	4,642	(7,064)	-
Total Liabilities and Fund Balances	\$ 308,239	4,642	-	14,599

The accompanying notes are an integral part of these financials

IDEA-B Entitlement 24106	Medicaid 3 - 21 Years 25153	Spaceport Grant 26204	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	160	14,940	-	-	292,720
5,053	-	5,487	12,467	16,241	53,847
-	-	-	-	-	35,261
<u>5,053</u>	<u>160</u>	<u>20,427</u>	<u>12,467</u>	<u>16,241</u>	<u>381,828</u>
-	-	-	-	-	7,060
5	-	-	-	-	6,645
<u>5,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,553</u>	<u>35,261</u>
<u>5,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,553</u>	<u>48,966</u>
-	160	-	-	-	4,802
-	-	20,427	-	-	20,427
-	-	-	12,467	7,688	20,155
-	-	-	-	-	287,478
<u>-</u>	<u>160</u>	<u>20,427</u>	<u>12,467</u>	<u>7,688</u>	<u>332,862</u>
<u>5,053</u>	<u>160</u>	<u>20,427</u>	<u>12,467</u>	<u>16,241</u>	<u>381,828</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Reconciliation of the Balance Sheets to the Statement of Net Position
Governmental Funds
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 332,862**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital assets	744,700	
Accumulated depreciation	(19,873)	
	724,827	724,827

Net Position-Total Governmental Activities **\$ 1,057,689**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	23	-	1	-
State Grant	796,122	2,961	-	-
Federal Grant	-	-	17,349	14,599
Charges for Services	220	-	-	-
Total Revenues	796,365	2,961	17,350	14,599
Expenditures:				
Current:				
Instruction	346,027	3,486	-	3,705
Support Services:				
Students	3,853	-	-	10,894
Instruction	210	-	-	-
General Administration	26,689	-	-	-
School Administration	169,534	-	-	-
Central Services	72,448	-	-	-
Operation & Maintenance of Plant	150,121	-	-	-
Food Services Operations	11,632	-	24,414	-
Capital Outlay	1,616	-	-	-
Total Expenditures	782,130	3,486	24,414	14,599
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	14,235	(525)	(7,064)	-
Net Changes in Fund Balances	14,235	(525)	(7,064)	-
Special Item	280,307	5,167	-	-
Fund Balances (Deficit) - End of Year	\$ 294,542	4,642	(7,064)	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Medicaid 3 - 21 Years 25153	Spaceport Grant 26204	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	6,214	6,214
-	-	5,487	-	-	5,511
-	-	-	49,868	52,165	901,116
11,631	160	-	-	-	43,739
-	-	-	-	-	220
<u>11,631</u>	<u>160</u>	<u>5,487</u>	<u>49,868</u>	<u>58,379</u>	<u>956,800</u>
11,631	-	-	-	-	364,849
-	-	-	-	-	14,747
-	-	-	-	-	210
-	-	-	-	-	26,689
-	-	-	-	-	169,534
-	-	-	-	-	72,448
-	-	-	-	-	150,121
-	-	-	-	-	36,046
-	-	-	37,401	58,729	97,746
<u>11,631</u>	<u>-</u>	<u>-</u>	<u>37,401</u>	<u>58,729</u>	<u>932,390</u>
-	160	5,487	12,467	(350)	24,410
-	160	5,487	12,467	(350)	24,410
-	-	14,940	-	8,038	308,452
-	160	20,427	12,467	7,688	332,862

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change In Fund Balances-Total Governmental Funds **\$ 24,410**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	89,810	
Depreciation Expense	(3,973)	
	85,837	85,837

Change In Net Position-Total Governmental Activities **\$ 110,247**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Anthony Charter School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 920
Total Assets	<u>\$ 920</u>
LIABILITIES	
Deposits Held for Others	\$ 920
Total Liabilities	<u>\$ 920</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	Balance July 1, 2013 Special Item Note 4	Additions	Deductions	Balance June 30, 2014
ASSETS				
Cash in Bank	\$ 1,273	1,600	1,953	920
Total Assets	<u>\$ 1,273</u>	<u>1,600</u>	<u>1,953</u>	<u>920</u>
LIABILITIES				
Deposits Held for Others	\$ 1,273	1,600	1,953	920
Total Liabilities	<u>\$ 1,273</u>	<u>1,600</u>	<u>1,953</u>	<u>920</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. Anthony Charter School capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Department does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Anthony Charter School utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment	5-20 years
Buildings and Improvements	10-50 years

Capital assets for the component unit are recorded in the statement of net position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets not being depreciated:</i>				
Construction in progress	\$ 635,017	-	635,017	-
Total	635,017	-	635,017	-
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	19,873	-	-	19,873
Buildings and improvements	-	724,827	-	724,827
Total	19,873	724,827	-	744,700
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(15,900)	(3,973)	-	(19,873)
Total	(15,900)	(3,973)	-	(19,873)
Net Fixed Assets	\$ 638,990	720,854	635,017	724,827

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Notes to the Financial Statements
June 30, 2014**

NOTE 2. CAPITAL ASSETS (Continued)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	3,973
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NOTE 3. DEFICIT FUND BALANCE

At June 30, 2014, the Food Service Fund had a deficit fund balance of \$7,064. This deficit will be eliminated as revenues are expected to exceed expenditures in the next fiscal year.

NOTE 4. SPECIAL ITEM

During fiscal year 2013, Anthony Charter School was a component unit of Gadsden Independent School District. Effective for fiscal year 2014, Anthony Charter School was a State charter school, which resulted in the School being presented as a component unit of the PED. The value of the charter school's assets and liabilities as of July 1, 2013 reported as a special item in the 2014 financial statements.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	23	23
State Grant	812,282	790,003	796,122	6,119
Charges for Services	600	600	220	(380)
Total Revenues	<u>812,882</u>	<u>790,603</u>	<u>796,365</u>	<u>5,762</u>
Expenditures:				
Current:				
Instruction	546,789	472,685	344,708	127,977
Support Services:				
Students	6,500	12,619	3,853	8,766
General Administration	107,965	40,050	23,735	16,315
School Administration	169,038	179,998	168,389	11,609
Central Services	101,088	86,061	72,448	13,613
Operation & Maintenance of Plant	76,204	198,011	152,378	45,633
Food Services Operations	19,820	19,820	11,497	8,323
Capital Outlay	-	2,000	1,616	384
Total Expenditures	<u>1,027,404</u>	<u>1,011,244</u>	<u>778,624</u>	<u>232,620</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(214,522)</u>	<u>(220,641)</u>	<u>17,741</u>	<u>238,382</u>
Other Financing Sources (Uses):				
Designated Cash	214,522	220,641	-	(220,641)
Total Other Financing Sources (Uses):	<u>214,522</u>	<u>220,641</u>	<u>-</u>	<u>(220,641)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>17,741</u>	<u>459,023</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>280,307</u>	<u>280,307</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>298,048</u>	<u>298,048</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(3,506)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 14,235</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,902	1,902	2,961	1,059
Total Revenues	<u>1,902</u>	<u>1,902</u>	<u>2,961</u>	<u>1,059</u>
Expenditures:				
Current:				
Instruction	5,917	5,917	3,486	2,431
Total Expenditures	<u>5,917</u>	<u>5,917</u>	<u>3,486</u>	<u>2,431</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(4,015)</u>	<u>(4,015)</u>	<u>(525)</u>	<u>3,490</u>
Other Financing Sources (Uses):				
Designated Cash	4,015	4,015	-	(4,015)
Total Other Financing Sources (Uses):	<u>4,015</u>	<u>4,015</u>	<u>-</u>	<u>(4,015)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(525)</u>	<u>(525)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,167</u>	<u>5,167</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,642</u>	<u>4,642</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (525)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	1	1
Federal Grant	25,000	25,000	17,349	(7,651)
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>17,350</u>	<u>(7,650)</u>
Expenditures:				
Current:				
Food Services Operations	25,000	25,000	24,414	586
Total Expenditures	<u>25,000</u>	<u>25,000</u>	<u>24,414</u>	<u>586</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,064)</u>	<u>(7,064)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,064)</u>	<u>(7,064)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,064)</u>	<u>(7,064)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (7,064)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Anthony Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I - IASA 24101
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	34,294	-	(34,294)
Total Revenues	<u>-</u>	<u>34,294</u>	<u>-</u>	<u>(34,294)</u>
Expenditures:				
Current:				
Instruction	-	6,400	3,705	2,695
Support Services:			10,894	
Students	-	27,894	-	27,894
Total Expenditures	<u>-</u>	<u>34,294</u>	<u>14,599</u>	<u>19,695</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(14,599)</u>	<u>(14,599)</u>
 Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(14,599)</u>	<u>(14,599)</u>
 Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(14,599)</u>	<u>(14,599)</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>14,599</u>	
 NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	11,638	6,578	(5,060)
Total Revenues	<u>-</u>	<u>11,638</u>	<u>6,578</u>	<u>(5,060)</u>
Expenditures:				
Current:				
Instruction	-	11,638	11,631	7
Total Expenditures	<u>-</u>	<u>11,638</u>	<u>11,631</u>	<u>7</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,053)</u>	<u>(5,053)</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>(5,053)</u>	 <u>(5,053)</u>
 Cash or Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Cash or Fund Balances - End of Year	 <u>\$ -</u>	 <u>-</u>	 <u>(5,053)</u>	 <u>(5,053)</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>5,053</u>	
 NET CHANGE IN FUND BALANCE			 <u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Anthony Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Medicaid 3/21 Years 24153
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	-	160	160
Total Revenues	<u>-</u>	<u>-</u>	<u>160</u>	<u>160</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	160	160
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>160</u>	<u>160</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>160</u>	<u>160</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 160</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant 26204
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	496	7,120	-	7,120
Total Expenditures	<u>496</u>	<u>7,120</u>	<u>-</u>	<u>7,120</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(496)</u>	<u>(7,120)</u>	<u>-</u>	<u>7,120</u>
Other Financing Sources (Uses):				
Designated Cash	496	7,120	-	(7,120)
Total Other Financing Sources (Uses):	<u>496</u>	<u>7,120</u>	<u>-</u>	<u>(7,120)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	14,940	14,940
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>14,940</u>	<u>14,940</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>5,487</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 5,487</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Anthony Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public School Capital Outlay 31200
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	49,868	37,401	(12,467)
Total Revenues	<u>-</u>	<u>49,868</u>	<u>37,401</u>	<u>(12,467)</u>
Expenditures:				
Capital Outlay	-	49,868	37,401	12,467
Total Expenditures	<u>-</u>	<u>49,868</u>	<u>37,401</u>	<u>12,467</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>12,467</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 12,467</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 6,563	6,563	6,214	(349)
State Grant	27,202	52,166	35,924	(16,242)
Total Revenues	<u>33,765</u>	<u>58,729</u>	<u>42,138</u>	<u>(16,591)</u>
Expenditures:				
Capital Outlay	33,765	58,729	58,729	-
Total Expenditures	<u>33,765</u>	<u>58,729</u>	<u>58,729</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	(16,591)	(16,591)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(16,591)</u>	<u>(16,591)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>8,038</u>	<u>8,038</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,553)</u>	<u>(8,553)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>16,241</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (350)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo Bank	FNMA-PT	3138NY4W2	2/1/2043	\$ 50,722
Wells Fargo Bank	FNMA-PT	31417GEW2	4/1/2043	61,809
				<u>\$ 112,531</u>

Total Cash per Schedule of Cash Accounts: \$ 298,602
Less: FDIC coverage: (250,000)
Uninsured Public Funds: 48,602

Collateral Requirement: 24,301
Pledged Collateral Held By Pledging Financial Institution: 112,531
Balance Over Collateralized: \$ 88,230

Balance Uninsured and Uncollateralized at June 30, 2014: \$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Anthony Charter School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	\$ 298,602
<i>Total on Deposit</i>	298,602
Reconciling Items	<u>(6,802)</u>
<i>Reconciled Balance June 30, 2014</i>	<u>291,800</u>
Less Agency Funds	<u>(920)</u>
<i>Total Cash</i>	<u><u>\$ 292,720</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Anthony Charter School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instructional Support 23000
Cash, June 30, 2013	\$ 280,307	5,167	-	1,273
Add:				
2013-14 Revenues	796,365	2,961	17,350	1,600
Total Cash Available	1,076,672	8,128	17,350	2,873
Less:				
2013-14 Expenditures	(778,624)	(3,486)	(24,414)	(1,953)
Receivables/Payables	10,191	-	-	-
Outstanding Loans	-	-	-	-
Cash June 30, 2014	308,239	4,642	(7,064)	920
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	(35,261)	-	7,064	-
Cash per Books	272,978	4,642	-	920
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	21,564	-	(7,064)	(920)
Fund Balance (Deficit), Modified Accrual Basis	\$ 294,542	4,642	(7,064)	-

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Federal Direct 25000	State Flowthrough 26000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	14,940	-	8,038	309,725
<u>6,586</u>	<u>160</u>	<u>-</u>	<u>37,401</u>	<u>42,138</u>	<u>904,561</u>
6,586	160	14,940	37,401	50,176	1,214,286
(26,230)	-	-	(37,401)	(58,729)	(930,837)
-	-	-	-	-	10,191
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(19,644)</u>	<u>160</u>	<u>14,940</u>	<u>-</u>	<u>(8,553)</u>	<u>293,640</u>
<u>19,644</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,553</u>	<u>-</u>
<u>-</u>	<u>160</u>	<u>14,940</u>	<u>-</u>	<u>-</u>	<u>293,640</u>
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:					<u>(920)</u>
Balance Sheets - Governmental Funds					<u>\$ 292,720</u>
-	-	5,487	12,467	7,688	39,222
<u>-</u>	<u>160</u>	<u>20,427</u>	<u>12,467</u>	<u>7,688</u>	<u>332,862</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 478,323
Receivables	
Due from Other Governments	5,871
Total Current Assets	<u>484,194</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	6,416
Less: Accumulated Depreciation	<u>(4,812)</u>
Total Noncurrent Assets	<u>1,604</u>
Total Assets	<u>485,798</u>

LIABILITIES

Current Liabilities:

Accounts Payable	5,481
Accrued Liabilities	<u>97,475</u>
Total Current Liabilities	<u>102,956</u>
Total Liabilities	<u>102,956</u>

NET POSITION

Investment in Capital Assets	1,604
Restricted	77,038
Unrestricted	<u>304,200</u>
Total Net Position	<u>\$ 382,842</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,197,187	17,780	58,750	3,251	(1,117,406)
Support services:					
Students	215,370	-	-	-	(215,370)
Instruction	15,463	-	-	-	(15,463)
General Administration	58,109	-	-	-	(58,109)
School Administration	262,051	-	-	-	(262,051)
Central Services	123,940	-	-	-	(123,940)
Operation & Maintenance of Plant Facilities Materials, Supplies & Other Services	465,976	-	-	-	(465,976)
	122,092	-	-	121,230	(862)
Total Governmental Activities	\$ 2,460,188	17,780	58,750	124,481	(2,259,177)
General Revenues:					
State Equalization Guarantee					\$ 2,410,333
Miscellaneous					417
Total general revenues					<u>2,410,750</u>
Change in Net Position					151,573
Net position, Beginning					<u>231,269</u>
Net position, Ending					<u>\$ 382,842</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Support Materials 14000	Entitlement IDEA-B 24106	IDEA-B "Risk Pool" Fund 24120
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 401,280	10,980	-	-
Accounts Receivable				
Due from Government	-	-	1,793	335
Due from Other Funds	41,982	-	-	-
Total Assets	\$ 443,262	10,980	1,793	335
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 5,481	-	-	-
Accrued Expenses	97,463	-	-	-
Due to Other Funds	-	-	1,793	335
Total Liabilities	102,944	-	1,793	335
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	10,980	-	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	340,318	-	-	-
Total Fund Balance (Deficit)	340,318	10,980	-	-
<i>Total Liabilities and fund balance (Deficit)</i>	\$ 443,262	10,980	1,793	335

Charter Schools 24146	Teacher Principal Training 24154	CNM Foundation 26207	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund 27107	Robotics 2013 27116	Foundation UNM Sub Award 28102
2,834	-	1,256	-	-	-	-
-	500	-	-	-	3,243	-
-	-	-	-	-	-	-
<u>2,834</u>	<u>500</u>	<u>1,256</u>	<u>-</u>	<u>-</u>	<u>3,243</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	5	-	-	-	7
-	500	-	-	-	5,503	3,328
-	<u>500</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>5,503</u>	<u>3,335</u>
2,834	-	1,251	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(2,260)	(3,335)
<u>2,834</u>	<u>-</u>	<u>1,251</u>	<u>-</u>	<u>-</u>	<u>(2,260)</u>	<u>(3,335)</u>
<u>2,834</u>	<u>500</u>	<u>1,256</u>	<u>-</u>	<u>-</u>	<u>3,243</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	ASBMB Grant 29102	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 1,377	-	60,596	478,323
Accounts Receivable				
Due from Government	-	-	-	5,871
Due from Other Funds	-	-	-	41,982
Total Assets	\$ 1,377	-	60,596	526,176
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	5,481
Accrued Expenses	-	-	-	97,475
Due to Other Funds	-	30,523	-	41,982
Total Liabilities	-	30,523	-	144,938
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	1,377	-	-	16,442
Capital Improvements	-	-	60,596	60,596
Unassigned (Deficit)	-	(30,523)	-	304,200
Total Fund Balance (Deficit)	1,377	(30,523)	60,596	381,238
Total Liabilities and fund balance (Deficit)	\$ 1,377	-	60,596	526,176

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position
June 30, 2014

Fund balances - total governmental funds **\$ 381,238**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	6,416	
Accumulated depreciation	(4,812)	
	1,604	1,604

Net Position-total Governmental Activities **\$ 382,842**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Support Materials 14000	Entitlement IDEA-B 24106	IDEA-B "Risk Pool" Fund 24120
Revenues:				
Property Taxes	\$ -	-	-	-
State Grant	2,410,333	13,639	-	-
Federal Grant	-	-	31,259	335
Charges for Services	17,780	-	-	-
Miscellaneous	417	-	-	-
Total Revenues	<u>2,428,530</u>	<u>13,639</u>	<u>31,259</u>	<u>335</u>
Expenditures:				
Current:				
Instruction	1,148,810	6,933	31,259	335
Support Services:				
Students	215,370	-	-	-
Instruction	12,241	-	-	-
General Administration	58,109	-	-	-
School Administration	254,105	-	-	-
Central Services	123,940	-	-	-
Operation & Maintenance of Plant	465,976	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,278,551</u>	<u>6,933</u>	<u>31,259</u>	<u>335</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>149,979</u>	<u>6,706</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>149,979</u>	<u>6,706</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>190,339</u>	<u>4,274</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 340,318</u>	<u>10,980</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Charter Schools 24146	Teacher Principal Training 24154	CNM Foundation 26207	Dual Credit Instructional Materials 27103	2012 GO Bond Student Library Fund 27107	Robotics 2013 27116	Foundation UNM Sub Award 28102
-	-	-	-	-	-	-
-	-	-	724	3,222	-	5,828
-	500	-	-	-	3,243	-
-	-	-	-	-	-	-
-	-	1,251	-	-	-	-
-	500	1,251	724	3,222	3,243	5,828
-	500	-	724	-	5,503	2,500
-	-	-	-	-	-	-
-	-	-	-	3,222	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	6,663
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	500	-	724	3,222	5,503	9,163
-	-	1,251	-	-	(2,260)	(3,335)
-	-	1,251	-	-	(2,260)	(3,335)
2,834	-	-	-	-	-	-
2,834	-	1,251	-	-	(2,260)	(3,335)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds (continued)
For The Year Ended June 30, 2014

	ASBMB Grant 29102	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
Revenues:				
Property Taxes	\$ -	-	29,661	29,661
State Grant	-	91,569	-	2,525,315
Federal Grant	-	-	-	35,337
Charges for Services	-	-	-	17,780
Miscellaneous	2,000	-	-	3,668
Total Revenues	<u>2,000</u>	<u>91,569</u>	<u>29,661</u>	<u>2,611,761</u>
Expenditures:				
Current:				
Instruction	623	-	-	1,197,187
Support Services:				
Students	-	-	-	215,370
Instruction	-	-	-	15,463
General Administration	-	-	-	58,109
School Administration	-	-	-	260,768
Central Services	-	-	-	123,940
Operation & Maintenance of Plant	-	-	-	465,976
Capital Outlay	-	122,092	-	122,092
Total Expenditures	<u>623</u>	<u>122,092</u>	<u>-</u>	<u>2,458,905</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>1,377</u>	<u>(30,523)</u>	<u>29,661</u>	<u>152,856</u>
Net Changes in Fund Balances	<u>1,377</u>	<u>(30,523)</u>	<u>29,661</u>	<u>152,856</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>30,935</u>	<u>228,382</u>
Fund Balances (Deficit) - End of Year	<u>\$ 1,377</u>	<u>(30,523)</u>	<u>60,596</u>	<u>381,238</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The ASK Academy
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
 For The Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 152,856**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	-	
Depreciation Expense	(1,283)	
	(1,283)	(1,283)

Change in Net Position-Total Governmental Activities **\$ 151,573**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in bank	\$ 21,532
Total Assets	<u>\$ 21,532</u>
LIABILITIES	
Deposits held for others	\$ 21,532
Total Liabilities	<u>\$ 21,532</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash in bank	\$ 31,454	5,561	15,483	21,532
 Total assets	\$ 31,454	5,561	15,483	21,532
LIABILITIES				
Deposits held for others	\$ 31,454	5,561	15,483	21,532
 Total liabilities	\$ 31,454	5,561	15,483	21,532

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The ASK Academy (ASK) defines capital assets as assets with an initial, individual cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture, Fixtures, and Equipment	5 years
------------------------------------	---------

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures, and Equipment	\$ 6,416	-	-	6,416
<i>Total</i>	<u>6,416</u>	-	-	<u>6,416</u>
 <i>Less: Accumulated Depreciation</i>	 (3,529)	 (1,283)	 -	 (4,812)
Capital Assets, Net	<u>\$ 2,887</u>	<u>(1,283)</u>	<u>-</u>	<u>1,604</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

School Administration	\$ <u>1,283</u>
Total	<u>\$ 1,283</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND LIABILITIES

ASK leased buildings and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$390,933. ASK's minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 398,009
2016	8,423
Total minimum lease payments	\$ <u>406,432</u>

NOTE 4. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

27116 Robotics	\$ (2,260)
28102 Science Foundation UNM Sub	(3,335)
31200 Public School Capital Outlay	\$ (30,523)

ASK is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,463,565	2,415,595	2,370,534	(45,061)
Charges for Services	-	-	17,780	17,780
Miscellaneous	-	-	417	417
Total Revenues	<u>2,463,565</u>	<u>2,415,595</u>	<u>2,388,731</u>	<u>(26,864)</u>
Expenditures:				
Current:				
Instruction	1,439,534	1,403,572	1,144,199	259,373
Support Services:				
Students	379,748	243,978	215,370	28,608
Instruction	13,000	19,800	12,241	7,559
General Administration	28,000	64,400	58,109	6,291
School Administration	188,213	259,445	254,105	5,340
Central Services	113,500	126,074	123,940	2,134
Operation & Maintenance of Plant	440,582	485,444	465,976	19,468
Other Support Services Operations	-	10,962	-	10,962
Capital Outlay	5,988	5,988	-	5,988
Total Expenditures	<u>2,608,565</u>	<u>2,619,663</u>	<u>2,273,940</u>	<u>345,723</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(145,000)</u>	<u>(204,068)</u>	<u>114,791</u>	<u>318,859</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	-	-
Designated Cash	145,000	204,068	-	(204,068)
Total Other Financing Sources (Uses):	<u>145,000</u>	<u>204,068</u>	<u>-</u>	<u>(204,068)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>114,791</u>	<u>114,791</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>286,489</u>	<u>286,489</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>401,280</u>	<u>401,280</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			39,799	
Adjustments to Expenditures			(4,611)	
NET CHANGE IN FUND BALANCE			<u>\$ 149,979</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Support Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 9,089	9,089	17,913	8,824
Total Revenues	<u>9,089</u>	<u>9,089</u>	<u>17,913</u>	<u>8,824</u>
Expenditures:				
Current:				
Instruction	9,089	9,089	6,933	2,156
Total Expenditures	<u>9,089</u>	<u>9,089</u>	<u>6,933</u>	<u>2,156</u>
<i>Excess of Revenues Under Expenditures</i>	<u>-</u>	<u>-</u>	<u>10,980</u>	<u>10,980</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>10,980</u>	<u>10,980</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,980</u>	<u>10,980</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(4,274)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 6,706</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	31,260	29,466	(1,794)
Total Revenues	<u>-</u>	<u>31,260</u>	<u>29,466</u>	<u>(1,794)</u>
Expenditures:				
Current:				
Instruction	-	31,260	29,466	1,794
Total Expenditures	<u>-</u>	<u>31,260</u>	<u>29,466</u>	<u>1,794</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			1,793	
Adjustments to expenditures			<u>(1,793)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B "Risk Pool" Fund 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	335	-	(335)
Total Revenues	<u>-</u>	<u>335</u>	<u>-</u>	<u>(335)</u>
Expenditures:				
Current:				
Instruction	-	335	-	335
Total Expenditures	<u>-</u>	<u>335</u>	<u>-</u>	<u>335</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			335	
Adjustments to expenditures			<u>(335)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Schools 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,834</u>	<u>2,834</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,834</u>	<u>2,834</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 1,354	1,354	-	(1,354)
Total Revenues	<u>1,354</u>	<u>1,354</u>	<u>-</u>	<u>(1,354)</u>
Expenditures:				
Current:				
Instruction	1,354	1,354	-	1,354
Total Expenditures	<u>1,354</u>	<u>1,354</u>	<u>-</u>	<u>1,354</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			500	
Adjustments to Expenditures			<u>(500)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Miscellaneous	\$ -	1,250	1,256	6
Total Revenues	<u>-</u>	<u>1,250</u>	<u>1,256</u>	<u>6</u>
Expenditures:				
Current:				
Instruction	-	1,250	-	1,250
Total expenditures	<u>-</u>	<u>1,250</u>	<u>-</u>	<u>1,250</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,256</u>	<u>1,256</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,256</u>	<u>1,256</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,256</u>	<u>1,256</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(5)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,251</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	1,638	1,451	(187)
Total Revenues	<u>-</u>	<u>1,638</u>	<u>1,451</u>	<u>(187)</u>
Expenditures:				
Current:				
Instruction	-	1,638	1,451	187
Total Expenditures	<u>-</u>	<u>1,638</u>	<u>1,451</u>	<u>187</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(727)	
Adjustments to Expenditures			727	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library Fund 27107
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,222	3,222	3,222	-
Total Revenues	<u>3,222</u>	<u>3,222</u>	<u>3,222</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,222	3,222	3,222	-
Total expenditures	<u>3,222</u>	<u>3,222</u>	<u>3,222</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Robotics 2013 27116
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	15,460	-	(15,460)
Total Revenues	<u>-</u>	<u>15,460</u>	<u>-</u>	<u>(15,460)</u>
Expenditures:				
Current:				
Instruction	-	15,460	-	15,460
Total Expenditures	<u>-</u>	<u>15,460</u>	<u>-</u>	<u>15,460</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,243	
Adjustments to Expenditures			<u>(5,503)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (2,260)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Science Foundation UNM Sub Award 28102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	27,410	5,828	(21,582)
Total Revenues	<u>-</u>	<u>27,410</u>	<u>5,828</u>	<u>(21,582)</u>
Expenditures:				
Current:				
Instruction	-	19,925	2,500	17,425
Support Services:				
School Administration	-	7,485	3,328	4,157
Total expenditures	<u>-</u>	<u>27,410</u>	<u>5,828</u>	<u>21,582</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to expenditures			<u>(3,335)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (3,335)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
ASBMB Grant 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Miscellaneous	\$ -	2,000	2,000	-
Total Revenues	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	2,000	623	1,377
Total Expenditures	<u>-</u>	<u>2,000</u>	<u>623</u>	<u>1,377</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,377</u>	<u>1,377</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,377</u>	<u>1,377</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,377</u>	<u>1,377</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,377</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	122,092	91,569	(30,523)
Total Revenues	<u>-</u>	<u>122,092</u>	<u>91,569</u>	<u>(30,523)</u>
Expenditures:				
Current:				
Capital Outlay	-	122,092	91,569	30,523
Total Expenditures	<u>-</u>	<u>122,092</u>	<u>91,569</u>	<u>30,523</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(30,523)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (30,523)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 41,769	41,769	29,661	(12,108)
State Grant	3,288	3,288	-	(3,288)
Total Revenues	<u>45,057</u>	<u>45,057</u>	<u>29,661</u>	<u>(15,396)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	418	418	-	418
Capital Outlay	44,639	44,639	-	44,639
Total Expenditures	<u>45,057</u>	<u>45,057</u>	<u>-</u>	<u>45,057</u>
<i>Excess (deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>29,661</u>	<u>29,661</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>29,661</u>	<u>29,661</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>30,935</u>	<u>30,935</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>60,596</u>	<u>60,596</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 29,661</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo Bank	FN AS0025 3.500% 07/01/2043	3138W9A34	07/01/20143	\$ 158,750
				<u>\$ 158,750</u>

Total cash in bank per Schedule of Cash Accounts:	\$ 507,883
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured public funds:	257,883
Collateral requirement:	128,942
Pledged collateral held by pledging financial institution:	<u>158,750</u>
Balance over-collateralized:	<u>\$ 29,808</u>
Balance uninsured and uncollateralized at June 30, 2014:	<u>\$ 99,133</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	<u>\$ 507,883</u>
<i>Total on Deposit</i>	507,883
Reconciling Items	<u>(8,028)</u>
Reconciled Balance June 30, 2014	<u>499,855</u>
Less Agency Funds	<u>(21,532)</u>
<i>Total Cash</i>	<u><u>\$ 478,323</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The ASK Academy
Cash Reconciliation
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Federal Flowthrough 24000</u>	<u>Local Grants 26000</u>
Cash, June 30, 2013	\$ 286,489	-	2,834	-
Add:				
2013-14 revenues	<u>2,388,731</u>	<u>17,913</u>	<u>29,466</u>	<u>1,251</u>
Total cash available	2,675,220	17,913	32,300	1,251
Less:				
2013-14 expenditures	(2,273,940)	(6,933)	(29,466)	5
Receivables/Payables	-	-	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>401,280</u>	<u>10,980</u>	<u>2,834</u>	<u>1,256</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>401,280</u>	<u>10,980</u>	<u>2,834</u>	<u>1,256</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(60,962)</u>	<u>-</u>	<u>-</u>	<u>(5)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 340,318</u>	<u>10,980</u>	<u>2,834</u>	<u>1,251</u>

State Flowthrough 27000	State Direct 28000	Local or State Fund 29000	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
-	-	-	-	30,935	320,258
<u>4,673</u>	<u>5,828</u>	<u>2,000</u>	<u>91,569</u>	<u>29,661</u>	<u>2,571,092</u>
4,673	5,828	2,000	91,569	60,596	2,891,350
(4,673)	(5,828)	(623)	(91,569)	-	(2,413,027)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,377</u>	<u>-</u>	<u>60,596</u>	<u>478,323</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>1,377</u>	<u>-</u>	<u>60,596</u>	<u>478,323</u>
<u>(2,260)</u>	<u>(3,335)</u>	<u>-</u>	<u>(30,523)</u>	<u>-</u>	<u>(97,085)</u>
<u>(2,260)</u>	<u>(3,335)</u>	<u>1,377</u>	<u>(30,523)</u>	<u>60,596</u>	<u>381,238</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$	532,227
Receivables		
Due from Other Governments		51,235
Other Receivables		3,600
Deposits		13,000
Total Current Assets		<u>600,062</u>

Noncurrent Assets:

Capital Assets		
Building Improvements		23,270
Furniture, Fixtures, and Equipment		107,402
Less: Accumulated Depreciation		(102,061)
Total Noncurrent Assets		<u>28,611</u>
Total Assets		<u>628,673</u>

LIABILITIES

Current Liabilities:

Accounts Payable		4,360
Accrued Liabilities		78,035
Total Current Liabilities		<u>82,395</u>
Total Liabilities		<u>82,395</u>

NET POSITION

Investment in Capital Assets		28,611
Restricted		51,570
Unrestricted		466,097
Total Net Position	\$	<u>546,278</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Activities
For The Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Instruction	\$ 1,160,362	-	203,025	-	(957,337)
Support Services:					
Students	252,150	-	-	-	(252,150)
General Administration	28,248	-	-	-	(28,248)
School Administration	191,102	-	-	-	(191,102)
Central Services	74,515	-	-	-	(74,515)
Operation & Maintenance of Plant	365,733	-	-	-	(365,733)
Food Services	36,710	-	35,750	-	(960)
Facilities Materials, Supplies & Other Services	211,548	-	-	238,720	27,172
Total Governmental Activities	<u>\$ 2,320,368</u>	<u>-</u>	<u>238,775</u>	<u>238,720</u>	<u>(1,842,873)</u>
		General Revenues:			
					\$ 1,921,940
					4,638
					<u>1,926,578</u>
					Change in Net Position
					<u>83,705</u>
					Net Position, Beginning
					968,748
					Restatement (Note 5)
					<u>(506,175)</u>
					Net Position-Beginning, as Restated
					<u>462,573</u>
					Net Position-Ending
					<u>\$ 546,278</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Balance Sheets - Governmental Funds
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Food Services 21000</u>	<u>Title I IASA 24101</u>	<u>IDEA-B Entitlement 24106</u>
ASSETS					
Cash and Cash Equivalents	\$ 434,073	10,226	836	6,235	-
Accounts Receivable					
Due from Government	-	-	-	-	13,459
Due from Other Funds	51,235	-	-	-	-
Other Receivables	2,485	-	-	-	-
Deposits	13,000	-	-	-	-
Total Assets	<u>\$ 500,793</u>	<u>10,226</u>	<u>836</u>	<u>6,235</u>	<u>13,459</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 4,360	-	-	-	-
Accrued Expenses	71,800	-	-	6,235	-
Due to Other Funds	-	-	-	-	13,459
Total Liabilities	<u>76,160</u>	<u>-</u>	<u>-</u>	<u>6,235</u>	<u>13,459</u>
<i>Fund Balances</i>					
Fund Balance:					
Non Spendable:					
Deposits	13,000	-	-	-	-
Restricted for:					
Instruction	-	10,226	-	-	-
Food Service Operations	-	-	836	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	411,633	-	-	-	-
Total Fund Balance	<u>424,633</u>	<u>10,226</u>	<u>836</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 500,793</u>	<u>10,226</u>	<u>836</u>	<u>6,235</u>	<u>13,459</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Title I School Improvements 24162	Golden Apple Foundation 26163	Dual Credit Instructional Materials 27103	GRADS 28190	GRADS Plus 28203	Public Schools Capital Outlay 31200
-	-	-	-	-	-	23	-
-	1,162	24,800	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,162	24,800	-	-	-	23	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,162	24,800	-	-	-	-	-
-	1,162	24,800	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	-
-	1,162	24,800	-	-	-	23	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Special Capital Outlay - State 31400	SB-9 Capital Improvements 31700	Foundation	Total
ASSETS				
Cash and Cash Equivalents	\$ -	26,370	54,464	532,227
Accounts Receivable				
Due from Government	11,814	-	-	51,235
Due from Other Funds	-	-	-	51,235
Other Receivables	-	1,115	-	3,600
Deposits	-	-	-	13,000
Total Assets	\$ 11,814	27,485	54,464	651,297
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	4,360
Accrued Expenses	-	-	-	78,035
Due to Other Funds	11,814	-	-	51,235
Total Liabilities	11,814	-	-	133,630
<i>Fund Balances</i>				
Fund Balance:				
Non Spendable				
Deposits	-	-	-	13,000
Restricted for:				
Instruction	-	-	-	10,249
Food Service Operations	-	-	-	836
Capital Improvements	-	27,485	-	27,485
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	54,464	466,097
Total Fund Balance	-	27,485	54,464	517,667
Total Liabilities and Fund Balance	\$ 11,814	27,485	54,464	651,297

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 517,667**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	130,672	
Accumulated Depreciation	(102,061)	
	28,611	28,611
Net Position-Total Governmental Activities		\$ 546,278

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ 4,594	-	-	-	-
State sources	1,921,940	11,920	-	-	-
Federal grant	-	-	35,750	87,573	41,263
Miscellaneous	-	-	-	-	-
Total Revenues	<u>1,926,534</u>	<u>11,920</u>	<u>35,750</u>	<u>87,573</u>	<u>41,263</u>
Expenditures:					
Current:					
Instruction	953,073	7,254	-	87,299	41,263
Support Services:					
Students	251,876	-	-	274	-
General Administration	28,248	-	-	-	-
School Administration	189,630	-	-	-	-
Central Services	74,515	-	-	-	-
Operation & Maintenance of Plant	364,017	-	-	-	-
Food Services Operations	-	-	36,710	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,861,359</u>	<u>7,254</u>	<u>36,710</u>	<u>87,573</u>	<u>41,263</u>
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	<u>65,175</u>	<u>4,666</u>	<u>(960)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>65,175</u>	<u>4,666</u>	<u>(960)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>359,458</u>	<u>5,560</u>	<u>1,796</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 424,633</u>	<u>10,226</u>	<u>836</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Title I School Improvements 24162	Golden Apple Foundation 26163	Dual Credit Instructional Materials 27103	GRADS 28190	GRADS Plus 28203	Public Schools Capital Outlay 31200
-	-	-	3,000	-	-	-	-
-	-	-	-	429	11,500	14,766	149,470
427	7,347	24,800	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>427</u>	<u>7,347</u>	<u>24,800</u>	<u>3,000</u>	<u>429</u>	<u>11,500</u>	<u>14,766</u>	<u>149,470</u>
427	5,875	24,800	3,000	429	11,500	14,743	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	1,472	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	149,470
<u>427</u>	<u>7,347</u>	<u>24,800</u>	<u>3,000</u>	<u>429</u>	<u>11,500</u>	<u>14,743</u>	<u>149,470</u>
-	-	-	-	-	-	23	-
-	-	-	-	-	-	23	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	23	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds (Continued)
For The Year Ended June 30, 2014

	Special Capital Outlay State 31400	SB-9 Capital Improvements 31700	Foundation	Total
Revenues:				
Local & County Grant	\$ -	56,465	-	64,059
State sources	32,785	-	394,600	2,537,410
Federal grant	-	-	-	197,160
Miscellaneous	-	-	44	44
Total Revenues	<u>32,785</u>	<u>56,465</u>	<u>394,644</u>	<u>2,798,673</u>
Expenditures:				
Current:				
Instruction	-	-	-	1,149,663
Support Services:				
Students	-	-	-	252,150
General Administration	-	-	-	28,248
School Administration	-	-	-	191,102
Central Services	-	-	-	74,515
Operation & Maintenance of Plant	-	-	-	364,017
Food Services Operations	-	-	-	36,710
Capital Outlay	32,785	28,980	394,913	606,148
Total Expenditures	<u>32,785</u>	<u>28,980</u>	<u>394,913</u>	<u>2,702,553</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>27,485</u>	<u>(269)</u>	<u>96,120</u>
Net Changes in Fund Balances	<u>-</u>	<u>27,485</u>	<u>(269)</u>	<u>96,120</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>54,733</u>	<u>421,547</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>27,485</u>	<u>54,464</u>	<u>517,667</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cesar Chavez Community School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 96,120**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	-	
Depreciation Expense	(12,415)	
	(12,415)	(12,415)

Change in Net Position-Total Governmental Activities **\$ 83,705**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Statement of Fiduciary Assets and Liabilities- Agency Fund
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 6,112</u>
Total Assets	<u><u>\$ 6,112</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 6,112</u>
Total Liabilities	<u><u>\$ 6,112</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 6,376	6,909	7,173	6,112
Due from Other Funds	88	-	88	-
Total Assets	<u>\$ 6,464</u>	<u>6,909</u>	<u>7,261</u>	<u>6,112</u>
LIABILITIES				
Deposits Held for Others	\$ 6,464	6,909	7,261	6,112
Total Liabilities	<u>\$ 6,464</u>	<u>6,909</u>	<u>7,261</u>	<u>6,112</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CESAR CHAVEZ COMMUNITY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital Assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Cesar Chavez Community School’s (CCCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The CCCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The CCCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures, and Equipment	5-7 years
Buildings and Improvements	5-7 years

Capital assets for the CCCS are recorded in the statement of net position.

NOTE 2. CAPITAL ASSETS

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

	Balance June 30, 2013, As Restated	Additions	Deletions	Balance June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures, and Equipment	\$ 108,748	-	(1,346)	107,402
Buildings and Improvements	23,270	-	-	23,270
<i>Total</i>	132,018	-	(1,346)	130,672
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures, and Equipment	(71,153)	(10,699)	1,346	(80,506)
Buildings and improvements	(19,839)	(1,716)	-	(21,555)
<i>Total</i>	(90,992)	(12,415)	1,346	(102,061)
Net Fixed Assets	\$ 41,026	(12,415)	-	28,611

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CESAR CHAVEZ COMMUNITY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	10,699
Operations/Plant Maintenance		<u>1,716</u>
Total	\$	<u>12,415</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The CCCS leases various equipment and facilities under long-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$401,443. The CCCS's minimum future payments on these leases are as follows:

Year Ending June 30:		
2015	\$	412,007
2016		422,542
2017		433,392
2018		439,550
2019		451,061
2020- 2024		<u>462,289</u>
Total:	\$	<u>2,620,841</u>

The Cesar Chavez Community School Education Foundation (Foundation) approved an operating lease with the landlord on December 27, 2009. In prior years, the operating lease was improperly reported as a capital lease. During 2014, management corrected the reporting of this lease (see Note 5). The Foundation's minimum future payments on this building lease are as follows:

Year Ending June 30:		
2015	\$	351,159
2016		361,694
2017		372,544
2018		383,721
2019		395,232
2020-2024		<u>407,089</u>
Total:	\$	<u>2,271,439</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CESAR CHAVEZ COMMUNITY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 4. RELATED PARTIES

The CCCS has a Foundation which subleases the property to the school. The Foundation is presented as a blended component unit of the CCCS. The business manager services are performed by Aptability, which performed services for multiple state charter schools.

NOTE 5. PRIOR PERIOD RESTATEMENT

During the fiscal year ended June 30, 2013, the CCCS reported a capital lease obligation and the corresponding building as a capital asset. During 2014, management determined that the lease did not meet the capital lease criteria and was in fact an operating lease. As a result, a prior period restatement was made to correct the error. Restatement of Net Position is as follows:

Net Position, Beginning of Year, as Previously Stated	\$	968,748
Restatement		<u>(506,175)</u>
Net Position, Beginning of Year, as Restated	\$	<u>462,573</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	4,594	4,594
State Grant	1,921,940	1,921,940	1,921,940	-
Total Revenues	<u>1,921,940</u>	<u>1,921,940</u>	<u>1,926,534</u>	<u>4,594</u>
Expenditures:				
Current:				
Instruction	1,021,789	1,021,789	950,705	71,084
Support Services:				
Students	288,652	288,652	251,876	36,776
General Administration	26,400	29,939	28,248	1,691
School Administration	195,814	205,686	189,630	16,056
Central Services	78,185	78,185	74,515	3,670
Operation & Maintenance of Plant	438,286	438,286	364,017	74,269
Other Support Services	107,000	107,000	-	107,000
Total Expenditures	<u>2,156,126</u>	<u>2,169,537</u>	<u>1,858,991</u>	<u>310,546</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(234,186)</u>	<u>(247,597)</u>	<u>67,543</u>	<u>315,140</u>
Other Financing Sources (Uses):				
Designated Cash	234,186	247,597	-	(247,597)
Total Other Financing Sources (Uses):	<u>234,186</u>	<u>247,597</u>	<u>-</u>	<u>(247,597)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>67,543</u>	<u>67,543</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>359,458</u>	<u>359,458</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>427,001</u>	<u>427,001</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(2,368)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 65,175</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 10,800	10,800	14,984	4,184
Total Revenues	<u>10,800</u>	<u>10,800</u>	<u>14,984</u>	<u>4,184</u>
Expenditures:				
Current:				
Instruction	10,800	10,800	7,254	3,546
Total Expenditures	<u>10,800</u>	<u>10,800</u>	<u>7,254</u>	<u>3,546</u>
<i>Excess of revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>7,730</u>	<u>7,730</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>7,730</u>	<u>7,730</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,496</u>	<u>2,496</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,226</u>	<u>10,226</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(3,064)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 4,666</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 42,000	42,000	35,750	(6,250)
Fees	2,800	2,800	-	(2,800)
Total Revenues	<u>44,800</u>	<u>44,800</u>	<u>35,750</u>	<u>(9,050)</u>
Expenditures:				
Current:				
Food Services Operations	44,800	44,800	36,710	8,090
Total Expenditures	<u>44,800</u>	<u>44,800</u>	<u>36,710</u>	<u>8,090</u>
Deficiency of Revenues Under Expenditures	-	-	(960)	(960)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(960)</u>	<u>(960)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,796</u>	<u>1,796</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>836</u>	<u>836</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (960)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 84,562	94,017	147,302	53,285
Total Revenues	<u>84,562</u>	<u>94,017</u>	<u>147,302</u>	<u>53,285</u>
Expenditures:				
Current:				
Instruction	83,562	93,017	87,299	5,718
Support Services:				
Students	1,000	1,000	274	726
Total Expenditures	<u>84,562</u>	<u>94,017</u>	<u>87,573</u>	<u>6,444</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>59,729</u>	<u>59,729</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>59,729</u>	<u>59,729</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(59,729)</u>	<u>(59,729)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(59,729)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	41,263	33,901	(7,362)
Total Revenues	<u>-</u>	<u>41,263</u>	<u>33,901</u>	<u>(7,362)</u>
Expenditures:				
Current:				
Instruction	-	41,263	41,263	-
Total Expenditures	<u>-</u>	<u>41,263</u>	<u>41,263</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(7,362)</u>	<u>(7,362)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,362)</u>	<u>(7,362)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(6,097)</u>	<u>(6,097)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,459)</u>	<u>(13,459)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>7,362</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	427	427	-
Total Revenues	<u>-</u>	<u>427</u>	<u>427</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	427	427	-
Total Expenditures	<u>-</u>	<u>427</u>	<u>427</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 8,267	11,486	14,653	3,167
Total Revenues	<u>8,267</u>	<u>11,486</u>	<u>14,653</u>	<u>3,167</u>
Expenditures:				
Current:				
Instruction	5,867	9,086	5,875	3,211
Support Services:				
School Administration	2,400	2,400	1,472	928
Total Expenditures	<u>8,267</u>	<u>11,486</u>	<u>7,347</u>	<u>4,139</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>7,306</u>	<u>7,306</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>7,306</u>	<u>7,306</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(8,468)</u>	<u>(8,468)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,162)</u>	<u>(1,162)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(7,306)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvements 24162
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	25,560	96,608	71,048
Total Revenues	<u>-</u>	<u>25,560</u>	<u>96,608</u>	<u>71,048</u>
Expenditures:				
Current:				
Instruction	-	25,560	24,800	760
Total Expenditures	<u>-</u>	<u>25,560</u>	<u>24,800</u>	<u>760</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>71,808</u>	<u>71,808</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>71,808</u>	<u>71,808</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(96,608)</u>	<u>(96,608)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(24,800)</u>	<u>(24,800)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			<u>(71,808)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Golden Apple Foundation 26163
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	3,000	3,000	-
Total Revenues	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	3,000	3,000	-
Total Expenditures	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
<i>Excess (Deficiency) of revenues Over (Under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	715	429	(286)
Total Revenues	<u>-</u>	<u>715</u>	<u>429</u>	<u>(286)</u>
Expenditures:				
Current:				
Instruction	-	715	429	286
Total Expenditures	<u>-</u>	<u>715</u>	<u>429</u>	<u>286</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
GRADS 28190
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	11,500	22,500	11,000
Total Revenues	<u>-</u>	<u>11,500</u>	<u>22,500</u>	<u>11,000</u>
Expenditures:				
Current:				
Instruction	-	11,500	11,500	-
Total Expenditures	<u>-</u>	<u>11,500</u>	<u>11,500</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>11,000</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>11,000</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(11,000)</u>	<u>(11,000)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(11,000)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
GRADS Plus 28203
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	16,000	14,766	(1,234)
Total Revenues	<u>-</u>	<u>16,000</u>	<u>14,766</u>	<u>(1,234)</u>
Expenditures:				
Current:				
Instruction	-	16,000	14,743	1,257
Total Expenditures	<u>-</u>	<u>16,000</u>	<u>14,743</u>	<u>1,257</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>23</u>	<u>23</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>23</u>	<u>23</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 23</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	149,470	149,470	-
Total Revenues	<u>-</u>	<u>149,470</u>	<u>149,470</u>	<u>-</u>
Expenditures:				
Capital outlay	-	149,470	149,470	-
Total Expenditures	<u>-</u>	<u>149,470</u>	<u>149,470</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	50,000	20,971	(29,029)
Total Revenues	<u>-</u>	<u>50,000</u>	<u>20,971</u>	<u>(29,029)</u>
Expenditures:				
Capital Outlay	-	50,000	32,785	17,215
Total Expenditures	<u>-</u>	<u>50,000</u>	<u>32,785</u>	<u>17,215</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(11,814)</u>	<u>(11,814)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,814)</u>	<u>(11,814)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,814)</u>	<u>(11,814)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>11,814</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 58,584	58,584	55,350	(3,234)
State Grant	3,912	3,912	-	(3,912)
Total Revenues	<u>62,496</u>	<u>62,496</u>	<u>55,350</u>	<u>(7,146)</u>
Expenditures:				
Capital Outlay	62,496	62,496	28,980	33,516
Total expenditures	<u>62,496</u>	<u>62,496</u>	<u>28,980</u>	<u>33,516</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	26,370	26,370
Net Changes in Fund Balances	-	-	26,370	26,370
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>26,370</u>	<u>26,370</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,115	
NET CHANGE IN FUND BALANCE			<u>\$ 27,485</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo Bank, N.A.	FN AR2458	3138NYWU5	12/1/2042	\$ 9,186
Wells Fargo Bank, N.A.	FN AS0025	3138W9A34	7/1/2043	114,101
				<u>\$ 123,287</u>

Total Cash per Schedule of Cash Accounts (Excluding Foundation):	\$ 483,882
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	233,882
Collateral Requirement:	116,941
Pledged Collateral Held by Pledging Financial Institution:	<u>123,287</u>
Balance Over Collateralized:	<u>\$ 6,346</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ 110,595</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Schedule of Cash Accounts
June 30, 2014

Bank Account Type	Wells Fargo	Bank of Albuquerque	Total
Checking - Operational Account	\$ 477,770	-	477,770
Checking - Activity Account	6,112	-	6,112
Checking - Foundation	-	54,464	54,464
Total on Deposit	483,882	54,464	538,346
Reconciling Items	(7)	-	(7)
Reconciled Balance June 30, 2014	483,875	54,464	538,339
Less Agency Funds	(6,112)	-	(6,112)
Total Cash	\$ 477,763	54,464	532,227

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cesar Chavez Community School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Activity Account 23000	Federal Project Accounts 24000
Cash, June 30, 2013	\$ 153,712	2,064	1,796	6,376	-
Add:					
2013-14 Revenues	<u>1,926,534</u>	<u>14,984</u>	<u>35,750</u>	<u>6,909</u>	<u>292,891</u>
Total Cash Available	2,080,246	17,048	37,546	13,285	292,891
Less:					
2013-14 Expenditures	(1,858,991)	(7,254)	(36,710)	(7,173)	(161,410)
Receivables/Payables	83,839	-	-	-	4,979
Outstanding Loans	<u>128,979</u>	<u>432</u>	<u>-</u>	<u>-</u>	<u>(130,225)</u>
Cash June 30, 2014	<u>434,073</u>	<u>10,226</u>	<u>836</u>	<u>6,112</u>	<u>6,235</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit reclassifications to Cash	-	-	-	-	-
Cash per Books	<u>434,073</u>	<u>10,226</u>	<u>836</u>	<u>6,112</u>	<u>6,235</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	(9,440)	-	-	(6,112)	(6,235)
Fund Balance , Modified Accrual Basis	<u>\$ 424,633</u>	<u>10,226</u>	<u>836</u>	<u>-</u>	<u>-</u>

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

Local Grant Funds 26000	State Flow Through Fund 27000	Federal Direct Account 28000	Public School Capital Outlay 31200	Special Capital Outlay State 31400	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	-	\$ 163,948
3,000	429	37,266	149,470	20,971	55,350	2,543,554
3,000	429	37,266	149,470	20,971	55,350	2,707,502
(3,000)	(429)	(26,243)	(149,470)	(32,785)	(28,980)	(2,312,445)
-	-	-	-	-	-	88,818
-	-	(11,000)	-	11,814	-	-
-	-	23	-	-	26,370	483,875
-	-	-	-	-	-	-
-	-	23	-	-	26,370	483,875
						Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund: (6,112)
						Add: * Foundation 54,464
						Balance Sheets - Governmental Funds: \$ 532,227
-	-	-	-	-	1,115	(20,672)
-	-	23	-	-	27,485	463,203
						Add: * Foundation 54,464
						Balance Sheets - Governmental Funds: \$ 517,667

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Net Position
June 30, 2014

ASSETS

Current assets:

Cash	\$	624,870
Receivables		
Due from Other Governments		60,433
Prepaid Expenditures		14,352
Total Current Assets		<u>699,655</u>

Noncurrent assets:

Capital Assets		
Building and Improvements		16,162
Furniture, Fixtures, and Equipment		175,127
Less: Accumulated Depreciation		(52,251)
Total Noncurrent Assets		<u>139,038</u>

Total Assets		<u>838,693</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		2,434
Accrued Liabilities		143,602
Due to Government		10,343
Total Current Liabilities		<u>156,379</u>

NET POSITION

Investment in Capital Assets		139,038
Restricted		332,170
Unrestricted		211,106
Total Net Position	\$	<u><u>682,314</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,528,430	57,587	160,478	-	(1,310,365)
Support services:					
Students	148,298	-	-	-	(148,298)
Instruction	35,421	-	-	-	(35,421)
General Administration	25,135	-	-	-	(25,135)
School Administration	310,244	-	-	-	(310,244)
Central Services	60,502	-	-	-	(60,502)
Operation & Maintenance of Plant	184,142	-	-	-	(184,142)
Student Transportation	79,498	-	65,598	-	(13,900)
Food Services	62,082	18,640	51,171	-	7,729
Services	358,071	-	-	409,750	51,679
Total Governmental Activities	\$ 2,791,823	76,227	277,247	409,750	(2,028,599)
		General Revenues:			
					\$ 2,291,024
					22,762
					<u>2,313,786</u>
					Change in Net Position
					285,187
					Net Position, Beginning
					138,134
					Restatement (Note 5)
					258,993
					<u>Net position, Beginning Restated</u>
					397,127
					Net position, Ending
					<u>\$ 682,314</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Balance Sheets
Governmental Funds
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 305,241	20,687	1,694	9,474
Due from Government	-	-	-	-
Due from Other Funds	51,901	-	-	-
Prepaid Expenditures	14,352	-	-	-
Total Assets	\$ 371,494	20,687	1,694	9,474
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 2,434	-	-	-
Accrued Expenses	143,602	-	-	-
Due to Government	-	10,343	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	146,036	10,343	-	-
<i>Fund Balances</i>				
Fund Balance:				
Non Spendable:				
Prepaid Expenditures	14,352	-	-	-
Restricted for:				
Student Transportation	-	10,344	-	-
Instruction	-	-	1,694	-
Food Service Operations	-	-	-	9,474
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditure and Other Programs	211,106	-	-	-
Total Fund Balance	225,458	10,344	1,694	9,474
Total Liabilities and fund balance	\$ 371,494	20,687	1,694	9,474

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Library GO Bonds 27107	Reads to Lead 27114
-	-	-	-	-	-
9,701	25,700	543	8,806	3,273	2,000
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,701</u>	<u>25,700</u>	<u>543</u>	<u>8,806</u>	<u>3,273</u>	<u>2,000</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
9,701	25,700	543	8,806	3,273	2,000
<u>9,701</u>	<u>25,700</u>	<u>543</u>	<u>8,806</u>	<u>3,273</u>	<u>2,000</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>9,701</u>	<u>25,700</u>	<u>543</u>	<u>8,806</u>	<u>3,273</u>	<u>2,000</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Balance Sheet (Continued)
Governmental Funds
June 30, 2014

	Next Gen Assessments 27185	Public Schools Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ -	-	231,429	56,345	624,870
Due from Government	1,878	-	2,365	6,167	60,433
Due from other funds	-	-	-	-	51,901
Prepaid Expenditures	-	-	-	-	14,352
Total Assets	\$ 1,878	-	233,794	62,512	751,556
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ -	-	-	-	2,434
Accrued Expenses	-	-	-	-	143,602
Due to Government	-	-	-	-	10,343
Due to Other Funds	1,878	-	-	-	51,901
Total Liabilities	1,878	-	-	-	208,280
<i>Fund Balances</i>					
Fund Balance:					
Non Spendable:					
Prepaid Expenditures	-	-	-	-	14,352
Restricted for:					
Student Transportation	-	-	-	-	10,344
Instruction	-	-	-	-	1,694
Food Service Operations	-	-	-	-	9,474
Capital Improvements	-	-	233,794	62,512	296,306
Assigned to:					
Subsequent Years Expenditure and Other Programs	-	-	-	-	211,106
Total Fund Balance	-	-	233,794	62,512	543,276
Total Liabilities and fund balance	\$ 1,878	-	233,794	62,512	751,556

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cien Aguas International School
 Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 543,276**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	191,289	
Accumulated Depreciation	<u>(52,251)</u>	
		<u>139,038</u>

Fund Balances - Total Governmental Funds **\$ 682,314**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000
Revenues:				
Fees	\$ 57,587	-	-	18,640
State Grant	2,291,024	65,598	18,443	-
Federal Grant	-	-	-	51,171
Miscellaneous Income	22,762	-	-	-
Taxes	-	-	-	-
Total Revenues	2,371,373	65,598	18,443	69,811
Expenditures:				
Current:				
Instruction	1,384,022	-	19,944	-
Support Services:				
Students	145,877	-	-	-
Instruction	32,148	-	-	-
General Administration	25,135	-	-	-
School Administration	306,819	-	-	-
Central Services	60,502	-	-	-
Operation & Maintenance of Plant	274,150	-	-	-
Student Transportation	-	79,498	-	-
Food Services Operations	471	-	-	61,611
Capital Outlay	-	-	-	-
Total Expenditures	2,229,124	79,498	19,944	61,611
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	142,249	(13,900)	(1,501)	8,200
Net Changes in Fund Balances	142,249	(13,900)	(1,501)	8,200
Fund Balances - Beginning of Year	83,209	24,244	3,195	1,274
Restatement (Note 5)	-	-	-	-
Fund Balances - Restated	83,209	24,244	3,195	1,274
Fund Balances - End of Year	\$ 225,458	10,344	1,694	9,474

The accompanying notes are an integral part of these financial statements

Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Library GO Bonds 27107	Reads to Lead 27114
-	-	-	-	-	-
-	-	-	-	3,273	48,689
40,036	38,810	543	8,806	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,036</u>	<u>38,810</u>	<u>543</u>	<u>8,806</u>	<u>3,273</u>	<u>48,689</u>
40,036	38,810	-	8,806	-	48,689
-	-	543	-	-	-
-	-	-	-	3,273	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>40,036</u>	<u>38,810</u>	<u>543</u>	<u>8,806</u>	<u>3,273</u>	<u>48,689</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Next Gen Assessments 27185	Public Schools Capital Outlay 31200	HB 33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
Revenues:					
Fees	\$ -	-	-	-	76,227
State Grant	1,878	181,275	-	-	2,610,180
Federal Grant	-	-	-	-	139,366
Miscellaneous Income	-	-	-	-	22,762
Taxes	-	-	150,352	78,123	228,475
Total Revenues	<u>1,878</u>	<u>181,275</u>	<u>150,352</u>	<u>78,123</u>	<u>3,077,010</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	1,540,307
Support Services:					
Students	1,878	-	-	-	148,298
Instruction	-	-	-	-	35,421
General Administration	-	-	-	-	25,135
School Administration	-	-	-	-	306,819
Central Services	-	-	-	-	60,502
Operation & Maintenance of Plant	-	-	-	-	274,150
Student Transportation	-	-	-	-	79,498
Food Services Operations	-	-	-	-	62,082
Capital Outlay	-	181,275	175,551	15,611	372,437
Total Expenditures	<u>1,878</u>	<u>181,275</u>	<u>175,551</u>	<u>15,611</u>	<u>2,904,649</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(25,199)</u>	<u>62,512</u>	<u>172,361</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(25,199)</u>	<u>62,512</u>	<u>172,361</u>
Fund Balances - Beginning of Year	-	-	-	-	111,922
Restatement (Note 5)	-	-	258,993	-	258,993
Fund Balances - Restated	<u>-</u>	<u>-</u>	<u>258,993</u>	<u>-</u>	<u>370,915</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>233,794</u>	<u>62,512</u>	<u>543,276</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cien Aguas International School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 172,361**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	127,710	
Depreciation expense	(14,884)	
	112,826	112,826

Change in Net Position-Total Governmental Activities **\$ 285,187**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Cien Aguas International School's (CAIS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The CAIS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The CAIS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	3-15 years
Buildings and Improvements	15 years

Capital assets for the CAIS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 63,579	111,548	-	175,127
Buildings and Improvements	-	16,162	-	16,162
<i>Total</i>	<u>63,579</u>	<u>127,710</u>		<u>191,289</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(37,367)	(13,088)	-	(50,455)
Buildings and Improvements	-	(1,796)	-	(1,796)
<i>Total</i>	<u>(37,367)</u>	<u>(14,884)</u>	-	<u>(52,251)</u>
Net Capital Assets	<u>\$ 26,212</u>	<u>112,826</u>	-	<u>139,038</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	3,249
School Administration		3,425
Operation/Maintenance of Plant		8,210
Total	\$	<u>14,884</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The CAIS leases facilities under a short-term cancelable operating lease. Lease expense for the year ended June 30, 2014 was \$294,431. The CAIS's minimum future payments on this lease are as follows:

Year Ending June 30:		
2015	\$	315,744
2016		327,755
2017		341,100
2018		354,984
2019		369,429
2020		384,204
Total	\$	<u>2,093,216</u>

NOTE 4. RELATED PARTY TRANSACTIONS

The business manager for CAIS during fiscal year 2014 was also the business manager for Media Arts Collaborative Charter School. A governing council member is employed by a company that provides services to the school. Payments to this vendor were \$2,700 during the year.

NOTE 5. PRIOR PERIOD ADJUSTMENT

Statement of Activities. Net Position/Fund Balance at June 30, 2013 was restated in the amount of \$258,993. This restatement was due to the incorrect classification of HB 33 property tax revenue as unearned revenue, instead of Restricted Fund Balance/Net Position in the prior year.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Fees	\$ 45,750	53,820	57,587	3,767
State Grant	2,289,210	2,291,024	2,291,024	-
Miscellaneous income	-	22,761	22,762	1
Total Revenues	<u>2,334,960</u>	<u>2,367,605</u>	<u>2,371,373</u>	<u>3,768</u>
Expenditures:				
Current:				
Instruction	1,451,256	1,489,568	1,385,023	104,545
Support Services:				
Students	123,640	161,523	145,968	15,555
Instruction	35,920	37,734	32,148	5,586
General Administration	32,700	44,991	36,193	8,798
School Administration	272,404	322,370	309,632	12,738
Central Services	59,440	75,062	74,476	586
Operation & Maintenance of Plant	426,633	349,181	287,746	61,435
Food Services Operations	100	1,000	471	529
Total Expenditures	<u>2,402,093</u>	<u>2,481,429</u>	<u>2,271,657</u>	<u>209,772</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(67,133)</u>	<u>(113,824)</u>	<u>99,716</u>	<u>213,540</u>
Other Financing Sources (Uses):				
Designated Cash	67,133	113,824	-	(113,824)
Total Other Financing Sources (Uses):	<u>67,133</u>	<u>113,824</u>	<u>-</u>	<u>(113,824)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>99,716</u>	<u>99,716</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>222,049</u>	<u>222,049</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>321,765</u>	<u>321,765</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>42,533</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 142,249</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	75,941	75,941	-
Total Revenues	<u>-</u>	<u>75,941</u>	<u>75,941</u>	<u>-</u>
Expenditures:				
Current:				
Student Transportation	-	100,184	79,498	20,686
Total Expenditures	<u>-</u>	<u>100,184</u>	<u>79,498</u>	<u>20,686</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(24,243)</u>	<u>(3,557)</u>	<u>20,686</u>
Other financing sources (uses):				
Designated Cash	-	24,243	-	(24,243)
Total Other Financing Sources (Uses):	<u>-</u>	<u>24,243</u>	<u>-</u>	<u>(24,243)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,557)</u>	<u>(3,557)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>24,244</u>	<u>24,244</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>20,687</u>	<u>20,687</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(10,343)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (13,900)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	18,442	18,443	1
Total Revenues	<u>-</u>	<u>18,442</u>	<u>18,443</u>	<u>1</u>
Expenditures:				
Current:				
Instruction	-	21,637	19,944	1,693
Total Expenditures	<u>-</u>	<u>21,637</u>	<u>19,944</u>	<u>1,693</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(3,195)</u>	<u>(1,501)</u>	<u>1,694</u>
Other Financing Sources (Uses):				
Designated Cash	-	3,195	-	(3,195)
Total Other Financing Sources (Uses):	<u>-</u>	<u>3,195</u>	<u>-</u>	<u>(3,195)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,501)</u>	<u>(1,501)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,195</u>	<u>3,195</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,694</u>	<u>1,694</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (1,501)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Fees	\$ 12,000	18,653	18,640	(13)
Federal Grant	36,000	51,141	51,171	30
Total Revenues	<u>48,000</u>	<u>69,794</u>	<u>69,811</u>	<u>17</u>
Expenditures:				
Current:				
Food Services Operations	48,000	69,794	61,611	8,183
Total Expenditures	<u>48,000</u>	<u>69,794</u>	<u>61,611</u>	<u>8,183</u>
Excess of Revenues Over Expenditures	-	-	8,200	8,200
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>8,200</u>	<u>8,200</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,274</u>	<u>1,274</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>9,474</u>	<u>9,474</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 8,200</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 36,394	40,036	70,773	30,737
Total Revenues	<u>36,394</u>	<u>40,036</u>	<u>70,773</u>	<u>30,737</u>
Expenditures:				
Current:				
Instruction	36,394	40,036	40,036	-
Total Expenditures	<u>36,394</u>	<u>40,036</u>	<u>40,036</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>30,737</u>	<u>30,737</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>30,737</u>	<u>30,737</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(40,438)</u>	<u>(40,438)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(9,701)</u>	<u>9,701</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(30,737)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	38,810	43,511	4,701
Total Revenues	<u>-</u>	<u>38,810</u>	<u>43,511</u>	<u>4,701</u>
Expenditures:				
Current:				
Instruction	-	38,810	38,810	-
Total Expenditures	<u>-</u>	<u>38,810</u>	<u>38,810</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,701</u>	<u>4,701</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,701</u>	<u>4,701</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(30,401)</u>	<u>(30,401)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(25,700)</u>	<u>(25,700)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(4,701)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	543	312	(231)
Total Revenues	<u>-</u>	<u>543</u>	<u>312</u>	<u>(231)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	543	543	-
Total Expenditures	<u>-</u>	<u>543</u>	<u>543</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(231)	(231)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(231)</u>	<u>(231)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(312)</u>	<u>(312)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(543)</u>	<u>(543)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>231</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 7,875	8,806	8,825	19
Total Revenues	<u>7,875</u>	<u>8,806</u>	<u>8,825</u>	<u>19</u>
Expenditures:				
Current:				
Instruction	7,875	8,806	8,806	-
Total Expenditures	<u>7,875</u>	<u>8,806</u>	<u>8,806</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>19</u>	<u>19</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(8,825)</u>	<u>(8,825)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,806)</u>	<u>(8,806)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(19)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Library GO Bonds 27107
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,274	3,274	-	(3,274)
Total Revenues	<u>3,274</u>	<u>3,274</u>	<u>-</u>	<u>(3,274)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,274	3,274	3,273	1
Total Expenditures	<u>3,274</u>	<u>3,274</u>	<u>3,273</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	-	-	(3,273)	(3,273)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,273)</u>	<u>(3,273)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,273)</u>	<u>(3,273)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>3,273</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Lead 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	48,689	46,689	(2,000)
Total Revenues	<u>-</u>	<u>48,689</u>	<u>46,689</u>	<u>(2,000)</u>
Expenditures:				
Current:				
Instruction	-	48,689	48,689	-
Total Expenditures	<u>-</u>	<u>48,689</u>	<u>48,689</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(2,000)	(2,000)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			2,000	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Next Gen Assessments 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	1,878	-	(1,878)
Total Revenues	<u>-</u>	<u>1,878</u>	<u>-</u>	<u>(1,878)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	1,878	1,878	-
Total Expenditures	<u>-</u>	<u>1,878</u>	<u>1,878</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(1,878)</u>	<u>(1,878)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,878)</u>	<u>(1,878)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,878)</u>	<u>(1,878)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			<u>1,878</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	181,275	222,343	41,068
Total Revenues	<u>-</u>	<u>181,275</u>	<u>222,343</u>	<u>41,068</u>
Expenditures:				
Capital outlay	-	181,275	181,275	-
Total expenditures	<u>-</u>	<u>181,275</u>	<u>181,275</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>41,068</u>	<u>41,068</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>41,068</u>	<u>41,068</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(41,068)</u>	<u>(41,068)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(41,068)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Improvements 31600
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes	\$ 152,300	152,300	147,987	(4,313)
Total Revenues	<u>152,300</u>	<u>152,300</u>	<u>147,987</u>	<u>(4,313)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	1,523	1,523	-	1,523
Capital outlay	407,153	407,153	175,551	231,602
Total Expenditures	<u>408,676</u>	<u>408,676</u>	<u>175,551</u>	<u>233,125</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(256,376)</u>	<u>(256,376)</u>	<u>(27,564)</u>	<u>228,812</u>
Other Financing Sources (Uses):				
Designated Cash	256,376	256,376	-	(256,376)
Total Other Financing Sources (Uses):	<u>256,376</u>	<u>256,376</u>	<u>-</u>	<u>(256,376)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(27,564)</u>	<u>(27,564)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>258,993</u>	<u>258,993</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>231,429</u>	<u>231,429</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,365	
NET CHANGE IN FUND BALANCE			<u>\$ (25,199)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Budgetary Comparisons - Budgetary Basis
SB -9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Taxes	\$ 81,313	81,313	71,956	(9,357)
Total Revenues	<u>81,313</u>	<u>81,313</u>	<u>71,956</u>	<u>(9,357)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	762	762	-	762
Capital outlay	80,551	80,551	15,611	64,940
Total expenditures	<u>81,313</u>	<u>81,313</u>	<u>15,611</u>	<u>65,702</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>56,345</u>	<u>56,345</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>56,345</u>	<u>56,345</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>56,345</u>	<u>56,345</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>6,167</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 62,512</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
U.S. Bank	FNMA POOL AD8206	31418WDL1	October 1, 2025	\$ 62,739
U.S. Bank	FNMA POOL MA3892	31418DKE1	September 1, 2021	476,480
				<u>\$ 539,219</u>

Total Cash per Schedule of Cash Accounts:	\$ 681,746
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	431,746

Collateral Requirement:	215,873
Pledged Collateral Held by Pledging Financial Institution:	<u>539,219</u>
Balance Over Collateralized:	<u>\$ 323,346</u>

Balance uninsured and uncollateralized at June 30, 2014: \$ -

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cien Aguas International School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	\$ 619,064
Checking - Lunch Account	100
Checking - Walton Account	<u>62,582</u>
<i>Total on Deposit</i>	681,746
Reconciling Items	<u>(56,876)</u>
<i>Total Cash</i>	<u>\$ 624,870</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cien Aguas International School
Cash Reconciliation
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Federal Projects Account 24000
Cash, June 30, 2013	\$ 222,049	48,487	4,904	1,274	79,976
Add:					
2013-14 Revenues	<u>2,371,373</u>	<u>75,941</u>	<u>18,443</u>	<u>69,811</u>	<u>43,445</u>
Total Cash Available	2,593,422	124,428	23,347	71,085	123,421
Less:					
2013-14 Expenditures	(2,271,658)	(79,498)	(19,944)	(61,611)	(88,195)
Receivables/Payables	(108,225)	-	-	-	-
Adjustments	-	(24,243)	(1,709)	-	(79,976)
Outstanding Loans	<u>(51,901)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,750</u>
Cash June 30, 2014	<u>161,638</u>	<u>20,687</u>	<u>1,694</u>	<u>9,474</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	<u>143,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>305,241</u>	<u>20,687</u>	<u>1,694</u>	<u>9,474</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	<u>(79,783)</u>	<u>(10,343)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance , Modified Accrual Basis	<u>\$ 225,458</u>	<u>10,344</u>	<u>1,694</u>	<u>9,474</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

State Projects Account 27000	Public School Training 31200	HB 33 Capital GO Bonds 31600	SB9 Capital Improvements 31700	Total
2,144	41,068	258,992	-	658,894
<u>46,689</u>	<u>181,275</u>	<u>147,988</u>	<u>71,956</u>	<u>3,026,921</u>
48,833	222,343	406,980	71,956	3,685,815
(53,840)	(181,275)	(175,551)	(15,611)	(2,947,183)
-	-	-	-	(108,225)
(2,144)	(41,068)	-	-	(149,140)
<u>7,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	<u>231,429</u>	<u>56,345</u>	<u>481,267</u>
-	-	-	-	143,603
-	-	<u>231,429</u>	<u>56,345</u>	<u>624,870</u>
-	-	2,365	6,167	(81,594)
-	-	<u>233,794</u>	<u>62,512</u>	<u>543,276</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	122,642
Receivables		
Due from Other Governments		35,672
Prepaid Expenses		26,304
Total Current Assets		<u>184,618</u>

Noncurrent Assets:

Capital Assets		
Furniture, Fixtures, and Equipment		67,289
Less: Accumulated Depreciation		(12,620)
Total Noncurrent Assets		<u>54,669</u>

Total Assets		<u>239,287</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		1,685
Accrued Liabilities		5,420
Total Current Liabilities		<u>7,105</u>

Total Liabilities		<u>7,105</u>
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NET POSITION

Investment in Capital Assets		54,669
Restricted		33,815
Unrestricted		143,698
		<u>232,182</u>

Total Net Position	\$	<u>232,182</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 577,271	-	257,912	-	(319,359)
Support Services:					
Students	40,582	-	-	-	(40,582)
Instruction	11,011	-	-	-	(11,011)
General Administration	14,938	-	-	-	(14,938)
School Administration	126,871	-	-	-	(126,871)
Central Services	122,418	-	-	-	(122,418)
Operation & Maintenance of Plant	167,495	-	-	-	(167,495)
Other Support Services	11	-	-	-	(11)
Food Services	4,130	2,384	-	-	(1,746)
Services	47,392	-	-	47,392	-
Total Governmental Activities	\$ 1,112,119	2,384	257,912	47,392	(804,431)
			General Revenues:		
			State Equalization Guarantee	\$ 932,465	
			Miscellaneous	833	
			Total General Revenues	<u>933,298</u>	
			Change in Net Position		128,867
			Net Position, Beginning		<u>103,315</u>
			Net Position, Ending		<u>\$ 232,182</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 115,131	7,511	-	-	-
Accounts Receivable					
Due from Government	-	-	-	4,312	5,259
Due from Other Funds	35,177	-	-	-	-
Prepays	-	-	-	-	-
Total Assets	<u>\$ 150,308</u>	<u>7,511</u>	<u>-</u>	<u>4,312</u>	<u>5,259</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 1,685	-	-	-	-
Accrued Expenses	4,925	-	-	495	-
Due to Other Funds	-	-	-	3,817	5,259
Total Liabilities	<u>6,610</u>	<u>-</u>	<u>-</u>	<u>4,312</u>	<u>5,259</u>
<i>Fund Balances</i>					
Fund Balance:					
Non Spendable:					
Prepaid Expenditures	-	-	-	-	-
Restricted for:					
Instruction	-	7,511	-	-	-
Unassigned	143,698	-	-	-	-
Total Fund Balances	<u>143,698</u>	<u>7,511</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 150,308</u>	<u>7,511</u>	<u>-</u>	<u>4,312</u>	<u>5,259</u>

The accompanying notes are an integral part of these financial statements

IDEA-B "Risk Pool" 24120	Charter Schools 24146	Teacher and Principal Training & Recruiting 24154	Center for Teachers Excellence PED 27114	Public School Public Outlay 31200	SB 9 Capital Improvements 31700	Total
-	-	-	-	-	-	122,642
-	24,101	-	2,000	-	-	35,672
-	-	-	-	-	-	35,177
-	26,304	-	-	-	-	26,304
-	50,405	-	2,000	-	-	219,795
-	-	-	-	-	-	1,685
-	-	-	-	-	-	5,420
-	24,101	-	2,000	-	-	35,177
-	24,101	-	2,000	-	-	42,282
-	26,304	-	-	-	-	26,304
-	-	-	-	-	-	7,511
-	-	-	-	-	-	143,698
-	26,304	-	-	-	-	177,513
-	50,405	-	2,000	-	-	219,795

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Coral Community Charter School
 Reconciliation of the Balance Sheet - Governmental Funds To the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 177,513**

Net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	67,289	
Accumulated Depreciation	<u>(12,620)</u>	
		<u>54,669</u>

Net Position-Total Governmental Activities **\$ 232,182**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
State Grant	\$ 932,465	5,574	-	-	-
Federal Grant	-	-	-	13,527	9,806
Miscellaneous	833	-	-	-	-
Fees	-	-	2,384	-	-
Total Revenues	933,298	5,574	2,384	13,527	9,806
Expenditures:					
Current:					
Instruction	399,178	1,485	-	13,527	-
Support Services:					
Students	9,537	-	-	-	9,806
General Administration	14,938	-	-	-	-
School Administration	126,871	-	-	-	-
Central Services	122,418	-	-	-	-
Operation & Maintenance of Plant	167,495	-	-	-	-
Other Support Services Operations	11	-	-	-	-
Food Services Operations	1,746	-	2,384	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	842,194	1,485	2,384	13,527	9,806
Excess of Revenues Over Expenditures	91,104	4,089	-	-	-
Other Financing Sources (Uses):					
Operating Transfers	5,808	-	-	-	-
Total Other Financing Sources (uses):	5,808	-	-	-	-
Net Changes in Fund Balances	85,296	4,089	-	-	-
Fund balances (Deficit)- Beginning of Year	58,402	3,422	-	-	-
Fund balances - End of Year	\$ 143,698	7,511	-	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B "Risk Pool" 24120	Charter Schools 24146	Teacher and Principal Training & Recruiting 24154	Center for Teachers Excellence PED 27114	Public School Public Outlay 31200	SB 9 Capital Improvements 31700	Total
-	-	-	23,142	36,258	11,134	1,008,573
97	202,566	3,200	-	-	-	229,196
-	-	-	-	-	-	833
-	-	-	-	-	-	2,384
<u>97</u>	<u>202,566</u>	<u>3,200</u>	<u>23,142</u>	<u>36,258</u>	<u>11,134</u>	<u>1,240,986</u>
-	194,886	3,200	2,000	-	-	614,276
97	-	-	21,142	-	-	40,582
-	-	-	-	-	-	14,938
-	-	-	-	-	-	126,871
-	-	-	-	-	-	122,418
-	-	-	-	-	-	167,495
-	-	-	-	-	-	11
-	-	-	-	-	-	4,130
-	-	-	-	36,258	11,134	47,392
<u>97</u>	<u>194,886</u>	<u>3,200</u>	<u>23,142</u>	<u>36,258</u>	<u>11,134</u>	<u>1,138,113</u>
-	7,680	-	-	-	-	102,873
-	(4,788)	(1,020)	-	-	-	-
-	(4,788)	(1,020)	-	-	-	-
-	12,468	1,020	-	-	-	102,873
-	13,836	(1,020)	-	-	-	74,640
<u>-</u>	<u>26,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,513</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Coral Community Charter School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances - Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net change in Fund Balances-Total Governmental Funds **\$ 102,873**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	37,005	
Depreciation Expense	(11,011)	
	25,994	25,994

Change in Net Position-Total Governmental Activities **\$ 128,867**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received, if applicable. 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. The Coral Community Charter School's (CCCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The (CCCS) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The CCCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5 years

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets not being depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 30,284	37,005	-	67,289
<i>Total</i>	<u>30,284</u>	<u>37,005</u>	<u>-</u>	<u>67,289</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(1,609)	(11,011)	-	(12,620)
<i>Total</i>	<u>(1,609)</u>	<u>(11,011)</u>	<u>-</u>	<u>(12,620)</u>
Capital Assets, Net	<u>\$ 28,675</u>	<u>26,004</u>	<u>-</u>	<u>54,669</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following function:

Instructional	\$ 11,011
Total	<u>\$ 11,011</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Notes to the Financial Statements
June 30, 2014**

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The CCCS leased equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$132,696. The CCCS's minimum future payments on this lease is \$140,400 through the year ending June 30, 2015.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Gant	\$ 1,112,528	930,477	932,465	1,988
Miscellaneous	1,000	1,000	833	(167)
Total Revenues	<u>1,113,528</u>	<u>931,477</u>	<u>933,298</u>	<u>1,821</u>
Expenditures:				
Current:				
Instruction	509,851	506,136	410,071	96,065
Support Services:				
Students	5,000	12,766	10,137	2,629
General Administration	20,000	25,000	14,691	10,309
School Administration	131,240	137,253	127,755	9,498
Central Services	94,700	131,464	122,418	9,046
Operation & Maintenance of Plant	429,381	193,492	166,057	27,435
Other Support Services Operations	-	10	10	-
Food Services Operations	-	2,000	1,746	254
Total Expenditures	<u>1,190,172</u>	<u>1,008,121</u>	<u>852,885</u>	<u>155,236</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(76,644)</u>	<u>(76,644)</u>	<u>80,413</u>	<u>157,057</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	5,808	-
Designated Cash	76,644	76,644	-	(76,644)
Total Other Financing Sources (Uses):	<u>76,644</u>	<u>76,644</u>	<u>5,808</u>	<u>(76,644)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>74,605</u>	<u>74,605</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>58,402</u>	<u>58,402</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>133,007</u>	<u>133,007</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures and Transfers			<u>4,883</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 85,296</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Gant	\$ -	5,333	5,574	241
Total Revenues	<u>-</u>	<u>5,333</u>	<u>5,574</u>	<u>241</u>
Expenditures:				
Current:				
Instruction	-	5,333	1,485	3,848
Total Expenditures	<u>-</u>	<u>5,333</u>	<u>1,485</u>	<u>3,848</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,089</u>	<u>4,089</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,089</u>	<u>4,089</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,422</u>	<u>3,422</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,511</u>	<u>7,511</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 4,089</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Fees	\$ -	2,384	2,384	-
Total Revenues	<u>-</u>	<u>2,384</u>	<u>2,384</u>	<u>-</u>
Expenditures:				
Current:				
Food Services Operations	-	2,384	2,384	-
Total Expenditures	<u>-</u>	<u>2,384</u>	<u>2,384</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 9,897	26,324	9,215	(17,109)
Total Revenues	<u>9,897</u>	<u>26,324</u>	<u>9,215</u>	<u>(17,109)</u>
Expenditures:				
Current:				
Instruction	9,897	26,324	13,527	12,797
Total Expenditures	<u>9,897</u>	<u>26,324</u>	<u>13,527</u>	<u>12,797</u>
Deficiency of Revenues Under Expenditures	-	-	(4,312)	(4,312)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,312)</u>	<u>(4,312)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,312)</u>	<u>(4,312)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			4,312	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	9,806	17,716	7,910
Total Revenues	<u>-</u>	<u>9,806</u>	<u>17,716</u>	<u>7,910</u>
Expenditures:				
Current:				
Instruction	-	9,806	9,806	-
Total Expenditures	<u>-</u>	<u>9,806</u>	<u>9,806</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>7,910</u>	<u>7,910</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>7,910</u>	<u>7,910</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(13,169)</u>	<u>(13,169)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,259)</u>	<u>(5,259)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(7,910)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B "Risk Pool" 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	97	97	-
Total Revenues	<u>-</u>	<u>97</u>	<u>97</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	97	97	-
Total Expenditures	<u>-</u>	<u>97</u>	<u>97</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Schools 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	201,967	331,934	129,967
Total Revenues	<u>-</u>	<u>201,967</u>	<u>331,934</u>	<u>129,967</u>
Expenditures:				
Current:				
Instruction	-	201,967	201,965	2
Total Expenditures	<u>-</u>	<u>201,967</u>	<u>201,965</u>	<u>2</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>129,969</u>	<u>129,969</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	(4,788)	(4,788)
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(4,788)</u>	<u>(4,788)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>125,181</u>	<u>125,181</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(158,857)</u>	<u>(158,857)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(33,676)</u>	<u>(33,676)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(129,369)	
Adjustments to Expenditures and transfers			11,868	
NET CHANGE IN FUND BALANCE			<u>\$ 12,468</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and Principal Training & Recruiting 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 1,469	4,062	3,200	(862)
Total Revenues	<u>1,469</u>	<u>4,062</u>	<u>3,200</u>	<u>(862)</u>
Expenditures:				
Current:				
Instruction	1,469	4,062	3,200	862
Total Expenditures	<u>1,469</u>	<u>4,062</u>	<u>3,200</u>	<u>862</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating transfers	-	-	(1,020)	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>(1,020)</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,020</u>	<u>1,020</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,020)</u>	<u>(1,020)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures or Transfers			1,020	
NET CHANGE IN FUND BALANCE			<u>\$ 1,020</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Center for Teachers Excellence PED 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	23,142	21,142	(2,000)
Total Revenues	<u>-</u>	<u>23,142</u>	<u>21,142</u>	<u>(2,000)</u>
Expenditures:				
Current:				
Instruction	-	2,000	2,000	-
Support Services:				
Students	-	21,142	21,142	-
Total Expenditures	<u>-</u>	<u>23,142</u>	<u>23,142</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(2,000)	(2,000)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,000	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Public Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	36,258	36,258	-
Total Revenues	<u>-</u>	<u>36,258</u>	<u>36,258</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	36,258	36,258	-
Total Expenditures	<u>-</u>	<u>36,258</u>	<u>36,258</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB 9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 11,717	12,751	11,134	(1,617)
Total Revenues	<u>11,717</u>	<u>12,751</u>	<u>11,134</u>	<u>(1,617)</u>
Expenditures:				
Support Services:				
General Administration	118	-	-	-
Capital Outlay	11,599	12,751	11,134	1,617
Total expenditures	<u>11,717</u>	<u>12,751</u>	<u>11,134</u>	<u>1,617</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Collateral Pledged by Depository for Public Funds
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				<u>\$ -</u>

Total Cash per Schedule of Cash Accounts:	\$	150,883
Less: FDIC Coverage:		<u>(150,883)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		-
Balance (Over) Under Collateralized:	\$	<u>-</u>
Balance uninsured and uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	<u>\$ 150,883</u>
<i>Total on Deposit</i>	150,883
Reconciling Items	<u>(28,241)</u>
<i>Total Cash</i>	<u><u>\$ 122,642</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Coral Community Charter School
Cash Reconciliation
June 30, 2014

	Operational 11100	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2013	\$ 58,402	3,422	-
Add:			
2013-14 Revenues	<u>933,298</u>	<u>5,574</u>	<u>2,384</u>
Total Cash Available	991,700	8,996	2,384
Less:			
2013-14 Expenditures	(852,885)	(1,485)	(2,384)
Receivables/Payables	4,925	-	-
Outstanding Loans	<u>(35,177)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>108,563</u>	<u>7,511</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>6,568</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>115,131</u>	<u>7,511</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>28,567</u>	<u>-</u>	<u>-</u>
Fund Balance , Modified Accrual Basis	<u>\$ 143,698</u>	<u>7,511</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	State Flowthrough Fund 27000	Public School Capital Outlay 31200	SB 9 Capital Improvements 31700	Total
12,816	-	-	-	74,640
<u>362,162</u>	<u>21,142</u>	<u>36,258</u>	<u>11,134</u>	<u>1,371,952</u>
374,978	21,142	36,258	11,134	1,446,592
(228,595)	(23,142)	(36,258)	(11,134)	(1,155,883)
495	-	-	-	5,420
<u>33,177</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>180,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,129</u>
<u>(180,055)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(173,487)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,642</u>
<u>26,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,871</u>
<u>26,304</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>177,513</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 1,448,298
Receivables	
Due from Other Governments	67,632
Other	75,015
Prepaid Expenditures	14,489
Total Current Assets	<u>1,605,434</u>

Noncurrent Assets:

Capital Assets	
Land	3,172,430
Building and Improvements	5,770,204
Furniture, Fixtures, and Equipment	34,782
Less: Accumulated Depreciation	(145,939)
	<u>8,831,477</u>

Donated Assets Held for Sale	12,703
Web Site	894
Total Noncurrent Assets	<u>8,845,074</u>

Total Assets	<u>10,450,508</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	5,243
Accrued Liabilities	282,048
Total Current Liabilities	<u>287,291</u>

Noncurrent Liabilities:

Bond Payable	10,610,000
Total Noncurrent Liabilities	<u>10,610,000</u>

Total Liabilities	<u>10,897,291</u>
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NET POSITION

Net Investment in Capital Assets	(1,778,523)
Restricted	187,093
Unrestricted	1,144,647
Total Net Position	<u>\$ (446,783)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,574,053	22,254	520,910	-	(2,030,889)
Support Services:					
Students	143,564	-	-	-	(143,564)
Instruction	55,736	-	-	-	(55,736)
General Administration	60,076	-	-	-	(60,076)
School Administration	303,090	-	-	-	(303,090)
Central Services	135,392	-	-	-	(135,392)
Operation & Maintenance of Plant	668,710	-	-	-	(668,710)
Student Transportation	232,750	-	-	-	(232,750)
Facilities Materials, Supplies & Other Services	516,691	-	-	874,682	357,991
Total Governmental Activities	\$ 4,690,062	22,254	520,910	874,682	(3,272,216)
		General Revenues:			
					\$ 3,506,341
					<u>3,506,341</u>
		Change in Net Position			234,125
		Net Position, Beginning as Previously Stated			(355,246)
		Prior Period Adjustment			<u>(325,662)</u>
		Net Position, as Restated			(680,908)
		Net Position, Ending			<u>\$ (446,783)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Entitlement IDEA-B 24106	Teacher/ Principal Training 24154
ASSETS					
Cash and Cash Equivalents	\$ 143,300	83,147	64,645	-	-
Accounts Receivable					
Due from Government	-	-	-	13,535	9,804
Due from Other Funds	180,192	-	-	-	-
Other	-	-	-	-	-
Prepaid Expenditures	13,298	-	-	-	-
Total Assets	\$ 336,790	83,147	64,645	13,535	9,804
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ -	-	-	-	-
Accrued Expenses	280,067	-	-	1,341	-
Due to Other Funds	-	-	-	28,144	9,804
Total Liabilities	280,067	-	-	29,485	9,804
Fund Balances (Deficit)					
Fund Balance:					
Restricted for:					
Instruction	-	-	64,645	-	-
Student Transportation	-	83,147	-	-	-
Capital Outlay	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	56,723	-	-	(15,950)	-
Total Fund Balance (Deficit)	56,723	83,147	64,645	(15,950)	-
Total Liabilities and Fund Balances (Deficit)	\$ 336,790	83,147	64,645	13,535	9,804

The accompanying notes are an integral part of these financial statements

Technology for Education 27117	GO Bonds Instructional Materials 27171	Next Generation Assessments 27185	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Foundation	Total
281	-	-	-	25,423	1,131,502	1,448,298
-	21,967	22,326	-	-	-	67,632
-	-	-	-	-	-	180,192
-	-	-	-	-	75,015	75,015
-	-	-	-	-	1,191	14,489
<u>281</u>	<u>21,967</u>	<u>22,326</u>	<u>-</u>	<u>25,423</u>	<u>1,207,708</u>	<u>1,785,626</u>
-	-	-	-	-	5,243	5,243
-	-	-	-	-	640	282,048
-	21,967	22,326	97,951	-	-	180,192
-	21,967	22,326	97,951	-	5,883	467,483
281	-	-	-	-	-	64,926
-	-	-	-	-	-	83,147
-	-	-	-	25,423	-	25,423
-	-	-	(97,951)	-	1,201,825	1,144,647
<u>281</u>	<u>-</u>	<u>-</u>	<u>(97,951)</u>	<u>25,423</u>	<u>1,201,825</u>	<u>1,318,143</u>
<u>281</u>	<u>21,967</u>	<u>22,326</u>	<u>-</u>	<u>25,423</u>	<u>1,207,708</u>	<u>1,785,626</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory
 Reconciliation of the Balance Sheet- Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 1,318,143**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Certain assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Other Assets	13,597	
Capital Assets	8,977,416	
Accumulated Depreciation	<u>(145,939)</u>	
		8,845,074

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Long Term Bonds Payable	<u>(10,610,000)</u>	
		<u>(10,610,000)</u>

Net Position-Total Governmental Activities **\$ (446,783)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Entitlement IDEA-B 24106	Teacher/ Principal Training 24154
Revenues:					
Property Taxes	\$ -	-	-	-	-
State Grant	3,506,341	253,769	48,348	-	-
Federal Grant	-	-	-	61,198	9,804
Charges for Services	22,254	-	-	-	-
Miscellaneous	103,498	-	-	-	-
Total Revenues	<u>3,632,093</u>	<u>253,769</u>	<u>48,348</u>	<u>61,198</u>	<u>9,804</u>
Expenditures:					
Current:					
Instruction	2,350,229	-	11,913	45,544	9,804
Support Services:					
Students	136,301	-	-	7,263	-
Instruction	33,410	-	-	-	-
General Administration	31,908	-	-	-	-
School Administration	278,749	-	-	24,341	-
Central Services	135,392	-	-	-	-
Operation & Maintenance of Plant	560,444	-	-	-	-
Student Transportation	-	232,750	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Interest	-	-	-	-	-
Total Expenditures	<u>3,526,433</u>	<u>232,750</u>	<u>11,913</u>	<u>77,148</u>	<u>9,804</u>
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	<u>105,660</u>	<u>21,019</u>	<u>36,435</u>	<u>(15,950)</u>	<u>-</u>
Net Changes in Fund Balances	<u>105,660</u>	<u>21,019</u>	<u>36,435</u>	<u>(15,950)</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>(48,937)</u>	<u>62,128</u>	<u>28,210</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 56,723</u>	<u>83,147</u>	<u>64,645</u>	<u>(15,950)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Technology for Education 27117	GO Bonds Instructional Materials 27171	Next Generation Assessments 27185	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Foundation	Total
-	-	-	-	150,310	-	150,310
-	-	-	293,853	-	-	4,102,311
-	21,967	22,326	-	-	-	115,295
-	-	-	-	-	-	22,254
-	-	-	-	-	430,519	534,017
-	21,967	22,326	293,853	150,310	430,519	4,924,187
-	21,967	-	-	-	-	2,439,457
-	-	-	-	-	-	143,564
-	-	22,326	-	-	-	55,736
-	-	-	-	-	28,168	60,076
-	-	-	-	-	-	303,090
-	-	-	-	-	-	135,392
-	-	-	-	-	108,266	668,710
-	-	-	-	-	-	232,750
-	-	-	391,804	124,887	-	516,691
-	-	-	-	-	661,518	661,518
-	21,967	22,326	391,804	124,887	797,952	5,216,984
-	-	-	(97,951)	25,423	(367,433)	(292,797)
-	-	-	(97,951)	25,423	(367,433)	(292,797)
281	-	-	-	-	1,569,258	1,610,940
281	-	-	(97,951)	25,423	1,201,825	1,318,143

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
 For The Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (292,797)**

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

Expenditures to purchase or build capital assets, pay for interest on
 debt, and amortization on long term assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Bond Interest Expense	661,518	
Depreciation Expense	<u>(134,596)</u>	
		<u>526,922</u>
Change in Net Position-Total Governmental Activities		<u><u>\$ 234,125</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 16,657</u>
Total Assets	<u><u>\$ 16,657</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 16,657</u>
Total Liabilities	<u><u>\$ 16,657</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 54,270	78,843	116,456	16,657
Total Assets	<u>\$ 54,270</u>	<u>78,843</u>	<u>116,456</u>	<u>16,657</u>
LIABILITIES				
Deposits Held for Others	\$ 54,270	78,843	116,456	16,657
Total Liabilities	<u>\$ 54,270</u>	<u>78,843</u>	<u>116,456</u>	<u>16,657</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. Cottonwood Classical Preparatory School (CCPS) defines capital assets as assets with an initial, individual cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture, Fixtures and equipment	5-10 years
Land and Land Improvements	15 years
Buildings and Improvements	5-40 years

NOTE 2. CAPITAL ASSETS

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

	Balance		Deletions	Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>/Reclass</u>	<u>June 30, 2014</u>
<i>Capital Assets not being depreciated:</i>				
Land	\$ 3,167,743	-	-	3,167,743
Land Improvements	4,687	-	-	4,687
<i>Total</i>	<u>3,172,430</u>	-	-	<u>3,172,430</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and equipment	41,922	4,304	11,444	34,782
Buildings and improvements	5,440,804	329,400	-	5,770,204
<i>Total</i>	<u>5,482,726</u>	<u>333,704</u>	<u>11,444</u>	<u>5,804,986</u>
<i>Less: Accumulated Depreciation</i>	(11,343)	(134,596)	-	(145,939)
<i>Total</i>	<u>5,471,383</u>	<u>199,108</u>	<u>11,444</u>	<u>5,659,047</u>
Net Fixed Assets	<u>\$ 8,643,813</u>	<u>199,108</u>	<u>11,444</u>	<u>8,831,477</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Capital Outlay	\$	<u>134,596</u>
Total	\$	<u><u>134,596</u></u>

NOTE 3. LONG-TERM DEBT

Revenue Bonds are secured by pledges of certain revenues and assets. On December 1, 2012 the Cottonwood Classical Preparatory School, pursuant to a lease purchase agreement with Cottonwood Classical Foundation, Inc. and indenture of trust, issued its Educational Facility Revenue Bonds Series 2012A in the aggregate principal amount of \$10,250,000 and \$360,000 Taxable Educational Facility Revenue Bonds Series 2012B for the purpose of financing the acquisition and renovation of an existing building, of an approximately 47,161 square foot charter school facility. The School pledges, transfers, and grants a security interest in and assigns to the Wells Fargo Bank, N.A. to secure the payment of lease payments in accordance with the terms and provisions of the lease, all funds, monies, grants, or other distributions received by the School from the State of New Mexico with respect to the Equalization Guarantee funding. State Leasing or account established by the school, but specifically excluding State funding under the Charter School Act which is specifically dedicated to the payment of expenses of the Charter School which do not include payment amounts due under the Lease and all such operating expenses of the School required under State or federal laws to provide educational program expenditures. The total bond payable as of Jun 30, 2014 is as follows:

Series 2012A Education Facility Revenue Bond; Interest rate 5.25% due in quarterly installments; Maturing December 1, 2022	\$	1,200,000
Series 2012A Education Facility Revenue Bond; Interest rate 6.00% due in quarterly installments; Maturing December 1, 2032		3,220,000
Series 2012A Education Facility Revenue Bond; Interest rate 6.25% due in quarterly installments; Maturing December 1, 2042		5,830,000
Series 2012B Taxable Education Facility Revenue Bond; Interest rate 5.5% due in quarterly installments; Maturing December 1, 2017		<u>360,000</u>
Total bonds payable	\$	<u><u>10,610,000</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 3. LONG-TERM DEBT (CONTINUED)

The aggregate amounts of principal maturities and interest of Educational Facility Revenue bonds payable are as follows:

	Principal	Interest	Total
2015	\$ 80,000	640,375	720,375
2016	165,000	635,975	800,975
2017	175,000	626,900	801,900
2018	185,000	617,462	802,462
2019	195,000	607,712	802,712
Thereafter	9,810,000	9,028,826	18,838,826
Total	<u>\$ 10,610,000</u>	<u>12,157,250</u>	<u>22,767,250</u>

NOTE 4. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

Entitlement IDEA-B (24106)	\$ (15,950)
Public School Capital Outlay (31200)	(97,951)

NOTE 5. RELATED PARTIES

Cottonwood Classical Preparatory School has created a Foundation which donates various funds to the school and entered revenue bonds to construct a building for the school. The Foundation is considered a component unit of the School and is presented as a blended component unit.

The Director of Operations' son is employed at the school.

The Business Manager of the school is also the CEO of the Vigil Group.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6. PRIOR PERIOD ADJUSTMENTS

The Foundation maintains its books on a full accrual basis and included long term assets and liabilities in its trial balance. In order to get the records in a format that was presentable for modified accrual, a prior period adjustment was needed to reflect the net effect of the removal of the long term accounts. In addition, in the current year, the Foundation errantly capitalized bond issuance costs that were incurred in the prior year upon issuance of the original debt. The net effect of these adjustments was a reduction of fund balance in the amount of \$325,662.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,446,932	3,506,343	3,506,341	(2)
Charges for Services	-	22,654	22,640	(14)
Miscellaneous	-	103,500	103,498	(2)
Total Revenues	<u>3,446,932</u>	<u>3,632,497</u>	<u>3,632,479</u>	<u>(18)</u>
Expenditures:				
Current:				
Instruction	2,293,602	2,435,371	2,350,229	85,142
Support Services:				
Students	89,794	137,421	136,301	1,120
Instruction	20,000	33,710	33,410	300
General Administration	25,000	33,896	31,908	1,988
School Administration	285,455	284,570	278,749	5,821
Central Services	143,973	136,073	135,392	681
Operation & Maintenance of Plant	589,108	571,456	560,444	11,012
Total Expenditures	<u>3,446,932</u>	<u>3,632,497</u>	<u>3,526,433</u>	<u>106,064</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>106,046</u>	<u>106,046</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>106,046</u>	<u>106,046</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>154,840</u>	<u>154,840</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>260,886</u>	<u>260,886</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(386)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 105,660</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 219,983	253,768	253,769	1
Total Revenues	<u>219,983</u>	<u>253,768</u>	<u>253,769</u>	<u>1</u>
Expenditures:				
Current:				
Student Transportation	219,983	315,896	294,879	21,017
Total Expenditures	<u>219,983</u>	<u>315,896</u>	<u>294,879</u>	<u>21,017</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(62,128)</u>	<u>(41,110)</u>	<u>21,018</u>
Other Financing Sources (Uses):				
Designated Cash	-	62,128	-	(62,128)
Total Other Financing Sources (Uses):	<u>-</u>	<u>62,128</u>	<u>-</u>	<u>(62,128)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(41,110)</u>	<u>(41,110)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>124,257</u>	<u>124,257</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>83,147</u>	<u>83,147</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			\$ 62,129	
NET CHANGE IN FUND BALANCE			<u>\$ 21,019</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 28,979	28,979	48,348	19,369
Total Revenues	<u>28,979</u>	<u>28,979</u>	<u>48,348</u>	<u>19,369</u>
Expenditures:				
Current:				
Instruction	59,117	57,189	11,913	45,276
Total Expenditures	<u>59,117</u>	<u>57,189</u>	<u>11,913</u>	<u>45,276</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(30,138)</u>	<u>(28,210)</u>	<u>36,435</u>	<u>64,645</u>
Other Financing Sources (Uses):				
Designated Cash	-	28,210	-	(28,210)
Total Other Financing Sources (Uses):	<u>-</u>	<u>28,210</u>	<u>-</u>	<u>(28,210)</u>
Net Changes in Fund Balances	<u>(30,138)</u>	<u>-</u>	<u>36,435</u>	<u>36,435</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>28,210</u>	<u>28,210</u>
Cash or Fund Balances - End of Year	<u>\$ (30,138)</u>	<u>-</u>	<u>64,645</u>	<u>64,645</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 36,435</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	124,729	65,684	(59,045)
Total Revenues	<u>-</u>	<u>124,729</u>	<u>65,684</u>	<u>(59,045)</u>
Expenditures:				
Current:				
Instruction	-	80,308	45,544	34,764
Support Services:				
Students	-	13,086	7,263	5,823
School Administration	-	31,335	24,341	6,994
Total Expenditures	<u>-</u>	<u>124,729</u>	<u>77,148</u>	<u>47,581</u>
(Deficiency) of Revenues				
(Under) Expenditures	-	-	(11,464)	(11,464)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,464)</u>	<u>(11,464)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,464)</u>	<u>(11,464)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,486)	
NET CHANGE IN FUND BALANCE			<u>\$ (15,950)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/ Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 14,042	14,042	2,498	(11,544)
Total Revenues	<u>14,042</u>	<u>14,042</u>	<u>2,498</u>	<u>(11,544)</u>
Expenditures:				
Current:				
Instruction	14,042	14,042	9,804	4,238
Total Expenditures	<u>14,042</u>	<u>14,042</u>	<u>9,804</u>	<u>4,238</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,306)</u>	<u>(7,306)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,306)</u>	<u>(7,306)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,306)</u>	<u>(7,306)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>7,306</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Technology for Education 27117
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	281	281
Cash or Fund Balances - End of Year	\$ -	-	281	281
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
GO Bonds Instructional Materials 27171
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 26,868	26,868	-	(26,868)
Total Revenues	<u>26,868</u>	<u>26,868</u>	<u>-</u>	<u>(26,868)</u>
Expenditures:				
Current:				
Instruction	26,868	26,868	21,967	4,901
Total Expenditures	<u>26,868</u>	<u>26,868</u>	<u>21,967</u>	<u>4,901</u>
(Deficiency) of Revenues				
(Under) Expenditures	-	-	(21,967)	(21,967)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(21,967)</u>	<u>(21,967)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(21,967)</u>	<u>(21,967)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			21,967	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	22,406	-	(22,406)
Total Revenues	<u>-</u>	<u>22,406</u>	<u>-</u>	<u>(22,406)</u>
Expenditures:				
Current:				
Instruction	-	22,406	22,326	80
Total Expenditures	<u>-</u>	<u>22,406</u>	<u>22,326</u>	<u>80</u>
<i>(Deficiency) of Revenues</i>				
<i>(Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(22,326)</u>	<u>(22,326)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(22,326)</u>	<u>(22,326)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(22,326)</u>	<u>(22,326)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>22,326</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	391,804	293,853	(97,951)
Total Revenues	<u>-</u>	<u>391,804</u>	<u>293,853</u>	<u>(97,951)</u>
Expenditures:				
Current:				
Capital Outlay	-	391,804	391,804	-
Total Expenditures	<u>-</u>	<u>391,804</u>	<u>391,804</u>	<u>-</u>
(Deficiency) of Revenues				
(Under) Expenditures	-	-	(97,951)	(97,951)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(97,951)</u>	<u>(97,951)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(97,951)</u>	<u>(97,951)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (97,951)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	150,310	150,310
Local & County Grant	158,177	158,177	-	(158,177)
State Grant	26,670	26,670	-	(26,670)
Total Revenues	<u>184,847</u>	<u>184,847</u>	<u>150,310</u>	<u>(34,537)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	1,582	-	-	-
Capital Outlay	183,265	183,265	124,887	58,378
Total Expenditures	<u>184,847</u>	<u>183,265</u>	<u>124,887</u>	<u>58,378</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>1,582</u>	<u>25,423</u>	<u>23,841</u>
Net Changes in Fund Balances	<u>-</u>	<u>1,582</u>	<u>25,423</u>	<u>23,841</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>1,582</u>	<u>25,423</u>	<u>23,841</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 25,423</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo	FNMA FNMS 4.000%	3138W9K66	8/1/2043	\$ 108,325
				<u>\$ 108,325</u>

Total cash in bank per Schedule of Cash Accounts (Less: Foundation):	\$ 410,005
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	160,005
Collateral Requirement:	80,003
Pledged Collateral Held by Pledging Financial Institution:	<u>108,325</u>
Balance Over-Collateralized:	<u>\$ 28,323</u>
Balance uninsured and uncollateralized at June 30, 2014:	<u>\$ 51,680</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Cottonwood Classical Preparatory
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	\$ 410,005
Checking - Activity Account	-
Checking - Foundation	<u>1,114,845</u>
Total on Deposit	1,524,850
Reconciling Items	<u>(59,895)</u>
Reconciled Balance June 30, 2014	<u>1,464,955</u>
Less Agency Funds	<u>(16,657)</u>
Total Cash	<u><u>\$ 1,448,298</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Cottonwood Classical Preparatory
Cash Reconciliation
June 30, 2014

	Operational Account 11000	Transportation Account 13000	Instructional Materials 14000
Cash, June 30, 2013	\$ 154,840	124,257	28,210
Add:			
2013-14 revenues	<u>3,632,479</u>	<u>253,769</u>	<u>48,348</u>
Total Cash Available	3,787,319	378,026	76,558
Less:			
2013-14 Expenditures	(3,526,433)	(294,879)	(11,913)
Receivables/Payables	-	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>260,886</u>	<u>83,147</u>	<u>64,645</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	(117,586)	-	-
Cash per Books	<u>143,300</u>	<u>83,147</u>	<u>64,645</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(86,577)	-	-
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 56,723</u>	<u>83,147</u>	<u>64,645</u>

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

Activity Account 23000	Federal Flowthrough 24000	State Flowthrough 27000	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
54,270	-	433	-	-	362,010
78,843	68,182	-	293,853	150,310	4,525,784
133,113	68,182	433	293,853	150,310	4,887,794
(116,456)	(86,952)	(44,293)	(391,804)	(124,887)	(4,597,617)
-	-	(152)	-	-	(152)
-	-	-	-	-	-
16,657	(18,770)	(44,012)	(97,951)	25,423	290,025
-	18,770	44,293	97,951	-	43,428
16,657	-	281	-	25,423	333,453
				* Foundation:	1,131,502
				Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Fund:	(16,657)
				Total cash per books:	\$ 1,448,298
(16,657)	(15,950)	-	(97,951)	-	(217,135)
-	(15,950)	281	(97,951)	25,423	116,318
				* Foundation:	1,201,825
				Total Fund Balance (Deficit), Modified Accrual Basis:	\$ 1,318,143

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME V



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Creative Education Preparatory Institute #1
 Statement of Net Position
 June 30, 2014
 Unaudited

ASSETS

Current Assets:

Cash	\$ 22,070
Receivables	
Due from Other Governments	174,565
Total Current Assets	<u>196,635</u>
Total Assets	<u>196,635</u>

LIABILITIES

Current Liabilities:

Cash Overdraft	24,174
Accrued Liabilities	42,520
Compensated Absences	9,942
Total Current Liabilities	<u>76,636</u>
Total Liabilities	<u>76,636</u>

NET POSITION

Restricted	23,065
Unrestricted	96,934
Total Net Position	<u>\$ 119,999</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Statement of Activities
For The Year Ended June 30, 2014
Unaudited

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 965,503	5,296	68,858	-	(891,349)
Support services:					
Students	352,103	-	-	-	(352,103)
General Administration	32,287	-	-	-	(32,287)
School Administration	130,121	-	-	-	(130,121)
Central Services	115,824	-	-	-	(115,824)
Operation & Maintenance of Plant	240,406	-	-	-	(240,406)
Facilities Materials, Supplies & Other Services	143,650	-	-	160,353	16,703
Total Governmental Activities	\$ 1,979,894	5,296	68,858	160,353	(1,745,387)
			General Revenues:		
			State Equalization Guarantee	\$ 1,860,939	
			Miscellaneous	1,400	
			Total General Revenues	1,862,339	
			Change in Net Position		116,952
			Net Position, Beginning		3,047
			Net Position, Ending		\$ 119,999

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Balance Sheets - Governmental Funds
June 30, 2014
Unaudited

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ -	10,433	10,141	-
Accounts Receivable				
Due from Government	142,574	-	-	-
Due from Other Funds	136,473	-	-	-
<i>Total Assets</i>	<u>\$ 279,047</u>	<u>10,433</u>	<u>10,141</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Cash Overdraft	\$ 24,174	-	-	-
Accrued Expenditures	38,734	-	90	-
Due to Other Funds	-	-	-	34,481
Total Liabilities	<u>62,908</u>	<u>-</u>	<u>90</u>	<u>34,481</u>
 <i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	10,433	10,051	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	216,139	-	-	(34,481)
Total Fund Balances (Deficit)	<u>216,139</u>	<u>10,433</u>	<u>10,051</u>	<u>(34,481)</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ 279,047</u>	<u>10,433</u>	<u>10,141</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	PNM Foundation 26123	Dual Credit Instructional Materials 27103
-	-	-	-	1,496
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,496
-	-	-	-	-
-	-	3,696	-	-
366	1,610	52,432	-	-
366	1,610	56,128	-	-
-	-	-	-	1,496
-	-	-	-	-
(366)	(1,610)	(56,128)	-	-
(366)	(1,610)	(56,128)	-	1,496
-	-	-	-	1,496

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CREATIVE EDUCATION PREPARATORY INSTITUTE #1
Balance Sheets - Governmental Funds (Continued)
June 30, 2014
Unaudited

	2010 SB-1 Student Library 27106	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	22,070
Accounts Receivable				
Due from Government	-	31,991	-	174,565
Due from Other Funds	-	-	-	136,473
<i>Total Assets</i>	<u>\$ -</u>	<u>31,991</u>	<u>-</u>	<u>333,108</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Cash Overdraft	\$ -	-	-	24,174
Accrued Expenditures	-	-	-	42,520
Due to Other Funds	1,038	30,906	15,640	136,473
Total Liabilities	<u>1,038</u>	<u>30,906</u>	<u>15,640</u>	<u>203,167</u>
 <i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	-	-	21,980
Capital Improvement	-	1,085	-	1,085
Unassigned (Deficit)	(1,038)	-	(15,640)	106,876
Total Fund Balances (Deficit)	<u>(1,038)</u>	<u>1,085</u>	<u>(15,640)</u>	<u>129,941</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ -</u>	<u>31,991</u>	<u>-</u>	<u>333,108</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Reconciliation of the Balance Sheets - Governmental Funds
to Statement of Net Position
June 30, 2014
Unaudited**

Fund Balances - Total Governmental Funds	\$ 129,941
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Compensated Absences	<u>(9,942)</u>
Net Position-Total Governmental Activities	<u><u>\$ 119,999</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014
Unaudited

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Local & County Grant	\$ 1,400	-	-	-
State Grant	1,860,939	10,304	-	-
Federal Grant	-	-	32,656	24,402
Charges for Services	5,296	-	-	-
Total Revenues	<u>1,867,635</u>	<u>10,304</u>	<u>32,656</u>	<u>24,402</u>
Expenditures:				
Current:				
Instruction	839,105	9,223	12,650	47,906
Support Services:				
Students	339,214	-	1,912	10,977
General Administration	27,481	-	-	-
School Administration	130,121	-	-	-
Central Services	115,824	-	-	-
Operation & Maintenance of Plant	240,040	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,691,785</u>	<u>9,223</u>	<u>14,562</u>	<u>58,883</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>175,850</u>	<u>1,081</u>	<u>18,094</u>	<u>(34,481)</u>
Net Changes in Fund Balances	<u>175,850</u>	<u>1,081</u>	<u>18,094</u>	<u>(34,481)</u>
Fund Balances (Deficit) - Beginning of Year	<u>40,289</u>	<u>9,352</u>	<u>(8,043)</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 216,139</u>	<u>10,433</u>	<u>10,051</u>	<u>(34,481)</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	PNM Foundation 26123	Dual Credit Instructional Materials 27103
-	-	-	-	1,496
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	1,496
-	-	56,128	491	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
366	-	-	-	-
-	-	-	-	-
366	-	56,128	491	-
(366)	-	(56,128)	(491)	1,496
(366)	-	(56,128)	(491)	1,496
-	(1,610)	-	491	-
(366)	(1,610)	(56,128)	-	1,496

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
CREATIVE EDUCATION PREPARATORY INSTITUTE #1
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) (Continued)
Governmental Funds
For The Year Ended June 30, 2014
Unaudited

	2010 SB-1 Student Library 27106	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
Revenues:				
Local & County Grant	\$ -	-	-	2,896
State Grant	-	160,353	-	2,031,596
Federal Grant	-	-	-	57,058
Charges for Services	-	-	-	5,296
Total Revenues	-	160,353	-	2,096,846
Expenditures:				
Current:				
Instruction	-	-	-	965,503
Support Services:				
Students	-	-	-	352,103
General Administration	-	-	-	27,481
School Administration	-	-	-	130,121
Central Services	-	-	-	115,824
Operation & Maintenance of Plant	-	-	-	240,406
Capital Outlay	-	128,010	15,640	143,650
Total Expenditures	-	128,010	15,640	1,975,088
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	32,343	(15,640)	121,758
Net Changes in Fund Balances	-	32,343	(15,640)	121,758
Fund Balances - Beginning of Year	(1,038)	(31,258)	-	8,183
Fund Balances - End of Year	\$ (1,038)	1,085	(15,640)	129,941

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014
Unaudited

Net Change In Fund Balances-Total Governmental Funds \$ 121,758

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

Change in Compensated Absences (4,806)

Change In Net Position-Total Governmental Activities \$ 116,952

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014
Unaudited

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 7,473
Total Assets	<u>\$ 7,473</u>
LIABILITIES	
Deposits Held for Others	\$ 7,473
Total Liabilities	<u>\$ 7,473</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Creative Education Preparatory Institute #1
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014
 Unaudited

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 6,026	2,836	1,389	7,473
Total Assets	<u>\$ 6,026</u>	<u>2,836</u>	<u>1,389</u>	<u>7,473</u>
 LIABILITIES				
Deposits Held for Others	\$ 6,026	2,836	1,389	7,473
Total Liabilities	<u>\$ 6,026</u>	<u>2,836</u>	<u>1,389</u>	<u>7,473</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Creative Education Preparatory Institute #1
 Notes to the Financial Statements
 June 30, 2014
 Unaudited

NOTE 1. COMMITMENTS AND CONTINGENCIES

A. Leases

The Creative Education Preparatory Institute leased various facilities and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$166,797. The school's minimum future payments on this lease are as follows:

Year Ending June 30:		
2015	\$	155,328
2016		159,987
2017		164,787
2018		169,731
2019		174,822
Total operating lease payments	<u>\$</u>	<u>824,655</u>

The Creative Education Preparatory Institute had a compensated absences balance of \$5,136 at the beginning of the fiscal year. Additions to the balance were \$4,806 which resulted in an ending balance of \$9,942. All of this balance is considered to be current.

NOTE 2. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

IDEA-B Entitlement 24106	\$	(34,481)
IDEA-B Risk Pool 24120	\$	(366)
Teacher Principal Training 24154	\$	(1,610)
Title I School Improvement 24162	\$	(56,128)
2010 BS-1 Student Library 27106	\$	(1,038)
SB-9 Capital Improvements 31700	\$	(15,640)

The Creative Education Preparatory Institute is addressing the negative fund balances and is planning to take the appropriate actions to eliminate the negative balances.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Notes to the Financial Statements
June 30, 2014
Unaudited**

NOTE 3. OVERSPENT BUDGET LINE ITEMS

As stated in the finding 2011-002 [CS 2011-02-K], Creative Education Preparatory Institute had expended in excess of the budget in the following fund and functional groups:

Operational	11000	
Support Services		\$ (82,780)

NOTE 4. RELATED PARTIES

The Business Manager's daughter is employed at the school.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	1,400	1,400
State Grant	1,723,230	1,718,086	1,718,365	279
Charges for Services	1,000	1,000	5,296	4,296
Total Revenues	<u>1,724,230</u>	<u>1,719,086</u>	<u>1,725,061</u>	<u>5,975</u>
Expenditures:				
Current:				
Instruction	954,330	949,186	891,589	57,597
Support Services:				
Students	341,355	323,479	339,214	(15,735)
General Administration	25,816	28,816	27,481	1,335
School Administration	109,070	128,770	130,121	(1,351)
Central Services	116,258	122,434	115,824	6,610
Operation & Maintenance of Plant	177,401	166,401	240,040	(73,639)
Total Expenditures	<u>1,724,230</u>	<u>1,719,086</u>	<u>1,744,269</u>	<u>(25,183)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(19,208)</u>	<u>(19,208)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(19,208)</u>	<u>(19,208)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>40,289</u>	<u>40,289</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>21,081</u>	<u>21,081</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			142,574	
Adjustments to Expenditures			<u>52,484</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 175,850</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 8,000	9,234	10,304	1,070
Total Revenues	<u>8,000</u>	<u>9,234</u>	<u>10,304</u>	<u>1,070</u>
Expenditures:				
Current:				
Instruction	8,000	9,234	9,223	11
Total Expenditures	<u>8,000</u>	<u>9,234</u>	<u>9,223</u>	<u>11</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,081</u>	<u>1,081</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,081</u>	<u>1,081</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>9,352</u>	<u>9,352</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,433</u>	<u>10,433</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,081</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 10,416	16,649	32,656	16,007
Total Revenues	<u>10,416</u>	<u>16,649</u>	<u>32,656</u>	<u>16,007</u>
Expenditures:				
Current:				
Instruction	8,650	12,650	12,650	-
Support Services:				
Students	105	2,338	1,912	426
General Administration	1,661	1,661	-	1,661
Total Expenditures	<u>10,416</u>	<u>16,649</u>	<u>14,562</u>	<u>2,087</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>18,094</u>	<u>18,094</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>18,094</u>	<u>18,094</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>18,094</u>	<u>18,094</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 18,094</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	60,907	24,402	(36,505)
Total Revenues	<u>-</u>	<u>60,907</u>	<u>24,402</u>	<u>(36,505)</u>
Expenditures:				
Current:				
Instruction	-	47,907	47,906	1
Support Services:				
Students	-	10,977	10,977	-
Total Expenditures	<u>-</u>	<u>58,884</u>	<u>58,883</u>	<u>1</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>2,023</u>	<u>(34,481)</u>	<u>(36,504)</u>
Net Changes in Fund Balances	<u>-</u>	<u>2,023</u>	<u>(34,481)</u>	<u>(36,504)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>2,023</u>	<u>(34,481)</u>	<u>(36,504)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (34,481)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	366	-	(366)
Total Revenues	<u>-</u>	<u>366</u>	<u>-</u>	<u>(366)</u>
Expenditures:				
Current:				
Operation & Maintenance of Plant	-	366	366	-
Total Expenditures	<u>-</u>	<u>366</u>	<u>366</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(366)</u>	<u>(366)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(366)</u>	<u>(366)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(366)</u>	<u>(366)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (366)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 4,631	9,288	-	(9,288)
Total Revenues	<u>4,631</u>	<u>9,288</u>	<u>-</u>	<u>(9,288)</u>
Expenditures:				
Current:				
Instruction	4,000	8,657	-	8,657
Support Services:				
General Administration	631	631	-	631
Total Expenditures	<u>4,631</u>	<u>9,288</u>	<u>-</u>	<u>9,288</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,610)</u>	<u>(1,610)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,610)</u>	<u>(1,610)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvement 24162
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	121,209	-	(121,209)
Total Revenues	<u>-</u>	<u>121,209</u>	<u>-</u>	<u>(121,209)</u>
Expenditures:				
Current:				
Instruction	-	121,209	56,128	65,081
Total Expenditures	<u>-</u>	<u>121,209</u>	<u>56,128</u>	<u>65,081</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(56,128)</u>	<u>(56,128)</u>
 Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(56,128)</u>	<u>(56,128)</u>
 Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(56,128)</u>	<u>(56,128)</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
 NET CHANGE IN FUND BALANCE			<u>\$ (56,128)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
PNM Foundation 26123
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	491	491	-
Total Expenditures	<u>-</u>	<u>491</u>	<u>491</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(491)</u>	<u>(491)</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	-	-
Designated Cash	-	491	-	(491)
Total Other Financing Sources (Uses):	<u>-</u>	<u>491</u>	<u>-</u>	<u>(491)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(491)</u>	<u>(491)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>491</u>	<u>491</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (491)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	1,496	1,496
Total Revenues	<u>-</u>	<u>-</u>	<u>1,496</u>	<u>1,496</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>1,496</u>	<u>1,496</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,496</u>	<u>1,496</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,496</u>	<u>1,496</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,496</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
2010 SB-1 Student Library 27106
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,153	2,153	-	(2,153)
Total Revenues	<u>2,153</u>	<u>2,153</u>	<u>-</u>	<u>(2,153)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	2,153	2,153	-	2,153
Total Expenditures	<u>2,153</u>	<u>2,153</u>	<u>-</u>	<u>2,153</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,038)</u>	<u>(1,038)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,038)</u>	<u>(1,038)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	128,011	128,362	351
Total Revenues	<u>-</u>	<u>128,011</u>	<u>128,362</u>	<u>351</u>
Expenditures:				
Capital Outlay	-	128,011	128,010	1
Total Expenditures	<u>-</u>	<u>128,011</u>	<u>128,010</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>352</u>	<u>352</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>352</u>	<u>352</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>352</u>	<u>352</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>31,991</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 32,343</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014
Unaudited

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 15,640	19,614	-	(19,614)
Total Revenues	<u>15,640</u>	<u>19,614</u>	<u>-</u>	<u>(19,614)</u>
Expenditures:				
Capital Outlay	-	19,614	15,640	3,974
Total Expenditures	<u>-</u>	<u>19,614</u>	<u>15,640</u>	<u>3,974</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>15,640</u>	<u>-</u>	<u>(15,640)</u>	<u>(15,640)</u>
Net Changes in Fund Balances	<u>15,640</u>	<u>-</u>	<u>(15,640)</u>	<u>(15,640)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 15,640</u>	<u>-</u>	<u>(15,640)</u>	<u>(15,640)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (15,640)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014
Unaudited

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	110,206
Less: FDIC Coverage:		<u>(110,206)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held By Pledging Financial Institution:		-
Balance (Over) Under Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Schedule of Cash Accounts
June 30, 2014
Unaudited

<u>Bank Account Type</u>	
Checking - Operational Account	\$ 110,206
Total on Deposit	<u>110,206</u>
Reconciling Items	(148,714)
Unreconciled difference	<u>43,877</u>
Reconciled Balance June 30, 2014	<u>5,369</u>
Less Agency Funds	<u>(7,473)</u>
Total Cash	<u><u>\$ (2,104)</u></u>

As Reported on the Reconciliation of Balance Sheets to the Statement of Net Position

Cash and Cash Equivalents	\$ 22,070
Cash Overdraft	<u>(24,174)</u>
	<u><u>\$ (2,104)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Creative Education Preparatory Institute #1
Cash Reconciliation
June 30, 2014
Unaudited

	Operational 11000	Instructional Materials 14000	Student Activities 23000	Federal Flowthrough 24000
Cash, June 30, 2013	\$ 26,229 *	9,352	6,026	(9,653)
Add:				
2013-14 Revenues	1,725,062 **	10,304	2,836	103,992 **
Total Cash Available	<u>1,751,291</u>	<u>19,656</u>	<u>8,862</u>	<u>94,339</u>
Less:				
2013-14 Expenditures	(1,667,942) **	(9,223)	(1,389)	(130,546) **
Receivables/Payables	-	-	-	-
Outstanding Loans	(51,847)	-	-	36,207
Cash June 30, 2014	<u>31,502 **</u>	<u>10,433</u>	<u>7,473</u>	<u>- **</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	(136,473)	-	-	52,682
Unallocated Difference	112,741	-	-	(42,541)
Cash per Books	<u>7,770</u>	<u>10,433</u>	<u>7,473</u>	<u>10,141</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	111,168	-	(7,473)	-
Unallocated Difference	97,201	-	-	(92,675)
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 216,139</u>	<u>10,433</u>	<u>-</u>	<u>(82,534)</u>

* Does not agree to PY audited cash.

** Does not agree to General Ledger

The accompanying notes are an integral part of these financial statements

Local Grants Fund 26000	State Flowthrough 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
491	(1,038)	(31,258)	-	149
-	1,496	159,269	-	2,002,959
491	458	128,011	-	2,003,108
(491)	-	(128,011)	(15,640)	(1,953,242)
-	-	-	-	-
-	-	-	-	(15,640)
-	458	-	(15,640)	34,226
-	-	(30,906)	15,640	(99,057)
-	-	-	-	70,200
-	458	(30,906)	-	5,369
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:				(7,473)
Balance Sheets - Governmental Funds:				\$ (2,104)
-	-	31,991	(15,640)	120,046
-	-	-	-	4,526
-	458	1,085	(15,640)	129,941

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Statement of Net Position
June 30, 2014

ASSETS

Current assets:

Cash	\$ 973,005
Receivables	
Due from Other Governments	95,505
Prepaid Expenses	1,311
Total Current Assets	<u>1,069,821</u>

Noncurrent Assets:

Capital Assets	
Land	392,715
Construction in Progress	89,752
Building and Improvements	3,718,055
Software	28,228
Furniture, Fixtures, and Equipment	629,240
Less: Accumulated Depreciation	<u>(1,036,129)</u>
Total Noncurrent Assets	<u>3,821,861</u>

Total Assets	<u>4,891,682</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	99,074
Accrued Liabilities	47,523
Current Portion of Long-Term Debt	185,456
Total Current Liabilities	<u>332,053</u>

Noncurrent Liabilities:

Long-Term Debt	<u>972,966</u>
Total Noncurrent Liabilities	<u>972,966</u>

Total Liabilities	<u>1,305,019</u>
--------------------------	------------------

NET POSITION

Net Investment in Capital Assets	2,663,439
Restricted	172,476
Unrestricted	<u>750,748</u>
Total Net Position	<u>\$ 3,586,663</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,932,592	146,180	439,942	-	(1,346,470)
Support Services:					
Students	187,241	-	-	-	(187,241)
Instruction	129,098	-	-	-	(129,098)
General Administration	224,926	-	-	-	(224,926)
School Administration	250,058	-	-	-	(250,058)
Central Services	155,800	-	-	-	(155,800)
Operation & Maintenance of Plant	174,539	-	-	-	(174,539)
Student Transportation	15,230	-	-	-	(15,230)
Services	1,184,447	-	-	509,774	(674,673)
Total Governmental Activities	\$ 4,253,931	146,180	439,942	509,774	(3,158,035)
			General Revenues:		
			Property Taxes	\$ 311,276	
			State Equalization Guarantee	2,451,821	
			Interest income	195,004	
			Miscellaneous	398,488	
			Total General Revenues	3,356,589	
			Change in Net Position	198,554	
			Net Position, Beginning	3,284,804	
			Restatement	103,305	
			Net Position- Beginning, Restated	3,388,109	
			Net position, Ending	\$ 3,586,663	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 273,859	11,512	-	-
Accounts Receivable				
Due from Government	-	-	-	32,463
Due from Other Funds	89,990	-	-	-
Prepays	1,311	-	-	-
Total Assets	\$ 365,160	11,512	-	32,463
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 23,751	-	-	-
Accrued Expenses	46,931	-	-	502
Due to Other Funds	-	-	-	31,961
Total Liabilities	70,682	-	-	32,463
<i>Fund Balances</i>				
Fund Balance:				
Non Spendable:				
Prepaid Expenditures	1,311	-	-	-
Restricted for:				
Instruction	-	11,512	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditure and Other Programs	293,167	-	-	-
Total Fund Balance	294,478	11,512	-	-
Total Liabilities and Fund Balance	\$ 365,160	11,512	-	32,463

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Rural Education Achievement 25233	McCarthy Dressman Ed. Foundation 26193	CNM Foundation 26207	Dual Credit Instructional Materials 27103	Robot Systems 27115
-	-	29	-	-	-	-
-	-	-	-	-	5,284	6,609
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	29	-	-	5,284	6,609
-	-	-	-	-	-	-
-	-	29	-	-	-	-
-	-	-	-	-	5,284	6,609
-	-	29	-	-	5,284	6,609
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	29	-	-	5,284	6,609

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Early College HS Start-Up 27180	Nex Generation Assessments 27185	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200
ASSETS				
Cash and Cash Equivalents	\$ -	-	3,736	-
Accounts Receivable				
Due from Government	42,809	3,388	-	-
Due from Other Funds	-	-	-	-
Prepays	-	-	-	-
<i>Total Assets</i>	<u>\$ 42,809</u>	<u>3,388</u>	<u>3,736</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	-
Accrued Expenses	61	-	-	-
Due to Other Funds	42,748	3,388	-	-
Total Liabilities	<u>42,809</u>	<u>3,388</u>	<u>-</u>	<u>-</u>
<i>Fund Balances</i>				
Fund Balance:				
Non Spendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	-	3,736	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditure and Other Programs	-	-	-	-
Total Fund Balance	<u>-</u>	<u>-</u>	<u>3,736</u>	<u>-</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 42,809</u>	<u>3,388</u>	<u>3,736</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Special Capital Outlay-State 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation	Total Government
-	92,045	58,920	532,904	973,005
-	3,521	1,431	-	95,505
-	-	-	-	89,990
-	-	-	-	1,311
-	95,566	60,351	532,904	1,159,811
-	-	-	75,323	99,074
-	-	-	-	47,523
-	-	-	-	89,990
-	-	-	75,323	236,587
-	-	-	-	1,311
-	-	-	-	15,248
-	95,566	60,351	-	155,917
-	-	-	457,581	750,748
-	95,566	60,351	457,581	923,224
-	95,566	60,351	532,904	1,159,811

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 East Mountain High School
 Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund balances - Total Governmental Funds		\$ 923,224
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital Assets	4,857,990	
Accumulated Depreciation	<u>(1,036,129)</u>	3,821,861
Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.		
		<u>(1,158,422)</u>
Net Position-Total Governmental Activities		<u><u>\$ 3,586,663</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	136,482	586	-	-
State Grant	2,451,821	22,001	-	-
Federal Grant	5,691	-	29,469	69,075
Charges for Services	146,180	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>2,740,174</u>	<u>22,587</u>	<u>29,469</u>	<u>69,075</u>
Expenditures:				
Current:				
Instruction	1,686,890	21,709	29,469	53,045
Support Services:				
Students	169,789	-	-	16,030
Instruction	112,455	-	-	-
General Administration	213,214	-	-	-
School Administration	236,429	-	-	-
Central Services	154,721	-	-	-
Operation & Maintenance of Plant	171,798	-	-	-
Student Transportation	13,471	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>2,758,767</u>	<u>21,709</u>	<u>29,469</u>	<u>69,075</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(18,593)</u>	<u>878</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(18,593)</u>	<u>878</u>	<u>-</u>	<u>-</u>
Fund balances - Beginning of Year	<u>313,071</u>	<u>10,634</u>	<u>-</u>	<u>-</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning as Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 294,478</u>	<u>11,512</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Rural Education Achievement 25233	McCarthy Dressman Ed. Foundation 26193	CNM Foundation 26207	Dual Credit Instructional Materials 27103	Robot Systems 27115
-	-	-	-	-	-	-
-	-	-	-	1,250	-	-
-	-	-	-	-	9,573	11,461
600	7,234	25,670	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
600	7,234	25,670	-	1,250	9,573	11,461
-	7,234	25,670	2,577	1,250	9,573	11,461
600	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
600	7,234	25,670	2,577	1,250	9,573	11,461
-	-	-	(2,577)	-	-	-
-	-	-	(2,577)	-	-	-
-	-	-	2,577	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Early College HS Start-Up 27180	Next Generation Assessments 27185	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	1,200	-
State Grant	116,262	3,388	-	269,712
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>116,262</u>	<u>3,388</u>	<u>1,200</u>	<u>269,712</u>
Expenditures:				
Current:				
Instruction	75,765	-	3,175	-
Support Services:				
Students	822	-	-	-
Instruction	13,255	3,388	-	-
General Administration	11,712	-	-	-
School Administration	13,629	-	-	-
Central Services	1,079	-	-	-
Operation & Maintenance of Plant	-	-	395	-
Student Transportation	-	-	-	-
Capital Outlay	-	-	-	269,712
Total Expenditures	<u>116,262</u>	<u>3,388</u>	<u>3,570</u>	<u>269,712</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,370)</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,370)</u>	<u>-</u>
Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>6,106</u>	<u>-</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning as Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,736</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Special Capital Outlay- State 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation	Total Government
-	210,151	101,125	-	311,276
-	-	-	-	139,518
215,000	-	25,062	-	3,124,280
-	-	-	-	137,739
-	-	-	-	146,180
-	-	-	593,492	593,492
<u>215,000</u>	<u>210,151</u>	<u>126,187</u>	<u>593,492</u>	<u>4,452,485</u>
-	-	-	-	1,927,818
-	-	-	-	187,241
-	-	-	-	129,098
-	-	-	-	224,926
-	-	-	-	250,058
-	-	-	-	155,800
-	-	-	-	172,193
-	-	-	-	13,471
<u>215,000</u>	<u>217,890</u>	<u>65,836</u>	<u>629,419</u>	<u>1,397,857</u>
<u>215,000</u>	<u>217,890</u>	<u>65,836</u>	<u>629,419</u>	<u>4,458,462</u>
-	(7,739)	60,351	(35,927)	(5,977)
-	(7,739)	60,351	(35,927)	(5,977)
-	-	-	493,508	825,896
-	103,305	-	-	103,305
-	103,305	-	-	103,305
-	95,566	60,351	457,581	923,224

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year End June 30, 2014**

Net Change in Fund Balances-Total Governmental Funds **\$ (5,977)**

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

Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays	241,551	
Depreciation Expense	(293,217)	
Loss on Disposal of Assets	(4,774)	
	(56,440)	(56,440)

The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

260,971

Change in Net Position-Total Governmental Activities **\$ 198,554**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 19,522
Total Assets	<u>\$ 19,522</u>
LIABILITIES	
Deposits Held for Others	\$ 19,522
Total Liabilities	<u>\$ 19,522</u>

The accompanying notes are in integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 16,750	31,075	28,303	19,522
Total Assets	<u>\$ 16,750</u>	<u>31,075</u>	<u>28,303</u>	<u>19,522</u>
LIABILITIES				
Deposits Held for Others	\$ 16,750	31,075	28,303	19,522
Total Liabilities	<u>\$ 16,750</u>	<u>31,075</u>	<u>28,303</u>	<u>19,522</u>

The accompanying notes are in integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The East Mountain High School's (EMHS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The EMHS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The EMHS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and Equipment	5 years
Software	5 years
Buildings and Improvements	10-50 years

Capital assets for the component unit are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets not being depreciated:</i>				
Land	\$ 392,715	-	-	392,715
Construction in Progress	88,363	1,384	-	89,752
<i>Total</i>	<u>481,083</u>	<u>1,384</u>	<u>-</u>	<u>482,467</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	844,080	227,666	(442,506)	629,240
Software	28,228	-	-	28,228
Buildings and Improvements	3,707,055	12,501	(1,501)	3,718,055
<i>Total</i>	<u>4,579,363</u>	<u>240,167</u>	<u>(444,007)</u>	<u>4,375,523</u>
<i>Less: Accumulated Depreciation</i>	<u>(1,182,154)</u>	<u>(293,217)</u>	<u>439,233</u>	<u>(1,036,129)</u>
Net Fixed Assets	<u>\$ 3,878,292</u>	<u>(51,666)</u>	<u>4,774</u>	<u>3,821,861</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 East Mountain High School
 Notes to the Financial Statements
 June 30, 2014

NOTE 2. CAPITAL ASSETS (Continued)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Capital Outlay	\$ 289,112
Operations/Plant Maintenance	2,346
Student Transportation	1,759
Total	<u><u>\$ 293,217</u></u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The EMHS leased facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$412,270. The EMHS's minimum future payments on this lease are as follows:

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2014.

Year Ending June 30:	
2015	\$ 410,643
2016	410,643
2017	410,643
2018	410,643
2019	392,200
2020-2024	1,961,000
2025-2026	784,392
Total	<u><u>\$ 4,780,164</u></u>

In February 2012, the East Mountain High School Foundation (EMHS Foundation) covered its operating lease with the school in a lease to purchase agreements for all of the buildings and the property. As a result of the agreement, the EMHS Foundation received cash of \$109,000 and recorded a note receivable for \$3,891,000. As June 30, 2014, the balance on the note receivable was \$3,431,558, including interest at 5.5%. The note receivable is to be paid to the EMHS Foundation over a fourteen year period. The note receivable and capital lease obligation have been eliminated due to the consolidation of the blended component unit.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES (Continued)

Mortgage Payable to bank secured by building; interest at bank's rate 3.25% due in monthly installments of \$25,317; maturing July 2018	\$ 1,158,422
Less: current maturities	(185,456)
	<u>\$ 972,966</u>

The aggregate amounts of principal maturities of mortgage payable are as follows:

2015	\$ 185,456
2016	191,575
2017	197,894
2018	204,422
2019	379,075
Total	<u>\$ 1,158,422</u>

B. Contingencies

No contingencies were discovered during the audit.

NOTE 4. RELATED PARTIES

The EMHS has a Foundation which donates funds to the school. The EMHS also entered into a Lease to Purchase with the Foundation approved by the Public School Facility Authority in February 2012. The Foundation is presented as a blended component unit of the school.

NOTE 5. SUBSEQUENT EVENTS

No subsequent events were discovered during the audit.

NOTE 6. PRIOR PERIOD ADJUSTMENT

Statement of Activities. Net position at June 30, 2013 was restated in the amount of \$103,305. This restatement was due to the incorrect classification of HB 33 property tax revenue as deferred revenue.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ 220,425	122,375	136,870	14,495
State Grant	2,481,526	2,451,821	2,451,821	-
Federal Grant	-	5,691	5,691	-
Charges for Services	123,810	123,810	146,180	22,370
Total Revenues	2,825,761	2,703,697	2,740,562	36,865
Expenditures:				
Current:				
Instruction	1,712,398	1,774,587	1,683,878	90,709
Support Services:				
Students	167,581	187,758	170,205	17,553
Instruction	109,659	126,205	104,855	21,350
General Administration	201,138	219,538	202,645	16,893
School Administration	302,307	243,192	236,429	6,763
Central Services	155,364	165,374	154,821	10,553
Operation & Maintenance of Plant	305,739	216,005	169,136	46,869
Student Transportation	19,266	22,666	13,471	9,195
Other Support Services Operations	60,000	60,000	-	60,000
Total Expenditures	3,033,452	3,015,325	2,735,440	279,885
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(207,691)</i>	<i>(311,628)</i>	<i>5,122</i>	<i>316,750</i>
Other Financing Sources (Uses):				
Designated Cash	207,691	311,628	-	(311,628)
Total Other Financing Sources (Uses):	207,691	311,628	-	(311,628)
Net Changes in Fund Balances	-	-	5,122	5,122
Cash or Fund Balances - Beginning of Year	-	-	313,071	313,071
Cash or Fund Balances - End of Year	\$ -	-	318,193	318,193
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(388)	
Adjustments to Expenditures			(23,327)	
NET CHANGE IN FUND BALANCE			\$ (18,593)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 19,582	23,536	25,954	2,418
Total Revenues	<u>19,582</u>	<u>23,536</u>	<u>25,954</u>	<u>2,418</u>
Expenditures:				
Current:				
Instruction	23,165	30,217	21,709	8,508
Total Expenditures	<u>23,165</u>	<u>30,217</u>	<u>21,709</u>	<u>8,508</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(3,583)</u>	<u>(6,681)</u>	<u>4,245</u>	<u>10,926</u>
Other Financing Sources (Uses):				
Designated Cash	3,583	6,681	-	(6,681)
Total Other Financing Sources (Uses):	<u>3,583</u>	<u>6,681</u>	<u>-</u>	<u>(6,681)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,245</u>	<u>4,245</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,634</u>	<u>10,634</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>14,879</u>	<u>14,879</u>
Reconciliation to GAAP Basis:				
Excess Revenues Over (Under) Expenditures				
Adjustments to Revenues			<u>(3,367)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 878</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 26,789.00	29,469	40,520	11,051
Total Revenues	<u>26,789</u>	<u>29,469</u>	<u>40,520</u>	<u>11,051</u>
Expenditures:				
Current:				
Instruction	26,789	29,469	29,469	-
Total Expenditures	<u>26,789</u>	<u>29,469</u>	<u>29,469</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>11,051</u>	<u>11,051</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,051</u>	<u>11,051</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,051</u>	<u>11,051</u>
Reconciliation to GAAP Basis:				
Excess Revenues Over (Under) Expenditures				
Adjustments to Revenues			<u>(11,051)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 East Mountain High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Entitlement IDEA-B 24106
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal grant	\$ -	69,075	69,075	-
Total Revenues	<u>-</u>	<u>69,075</u>	<u>69,075</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	53,045	53,045	-
Support Services:				
Students	-	16,030	16,030	-
Total Expenditures	<u>-</u>	<u>69,075</u>	<u>69,075</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	773	600	(173)
Total Revenues	<u>-</u>	<u>773</u>	<u>600</u>	<u>(173)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	773	600	173
Total Expenditures	<u>-</u>	<u>773</u>	<u>600</u>	<u>173</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 10,016	7,234	29,367	22,133
Total Revenues	<u>10,016</u>	<u>7,234</u>	<u>29,367</u>	<u>22,133</u>
Expenditures:				
Current:				
Instruction	10,016	7,234	7,234	-
Total Expenditures	<u>10,016</u>	<u>7,234</u>	<u>7,234</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>22,133</u>	<u>22,133</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>22,133</u>	<u>22,133</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>22,133</u>	<u>22,133</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(22,133)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 East Mountain High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Rural Education Achievement Program 25233
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	31,010	25,670	(5,340)
Total Revenues	<u>-</u>	<u>31,010</u>	<u>25,670</u>	<u>(5,340)</u>
Expenditures:				
Current:				
Instruction	-	31,010	25,670	5,340
Total Expenditures	<u>-</u>	<u>31,010</u>	<u>25,670</u>	<u>5,340</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Mccarthy Dressman Education Foundation 26193
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State grant	-	-	-	-
Federal grant	-	-	-	-
Charges for services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	2,577	2,577	-
Total Expenditures	<u>-</u>	<u>2,577</u>	<u>2,577</u>	<u>-</u>
Deficiency of Revenues Under expenditures	-	(2,577)	(2,577)	-
Other Financing Sources:				
Designated Cash	-	2,577	-	(2,577)
Total Other Financing Sources:	<u>-</u>	<u>2,577</u>	<u>-</u>	<u>(2,577)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,577)</u>	<u>(2,577)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,577</u>	<u>2,577</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (2,577)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	1,250	1,250	-
Total Revenues	<u>-</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	1,250	1,250	-
Total Expenditures	<u>-</u>	<u>1,250</u>	<u>1,250</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	9,573	4,289	(5,284)
Total Revenues	<u>-</u>	<u>9,573</u>	<u>4,289</u>	<u>(5,284)</u>
Expenditures:				
Current:				
Instruction	-	9,573	9,573	-
Total Expenditures	<u>-</u>	<u>9,573</u>	<u>9,573</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(5,284)	(5,284)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,284)</u>	<u>(5,284)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,284)</u>	<u>(5,284)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,284	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Robot Systems 27115
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 11,461	11,461	7,527	(3,934)
Total Revenues	<u>11,461</u>	<u>11,461</u>	<u>7,527</u>	<u>(3,934)</u>
Expenditures:				
Current:				
Instruction	11,461	11,461	11,461	-
Total Expenditures	<u>11,461</u>	<u>11,461</u>	<u>11,461</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(3,934)	(3,934)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,934)</u>	<u>(3,934)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,934)</u>	<u>(3,934)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,934	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Early College High School Start-Up 27180
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	134,717	91,908	(42,809)
Total Revenues	<u>-</u>	<u>134,717</u>	<u>91,908</u>	<u>(42,809)</u>
Expenditures:				
Current:				
Instruction	-	75,765	75,765	-
Support Services:				
Students	-	827	822	5
Instruction	-	22,330	20,855	1,475
General Administration	-	20,943	22,567	(1,624)
School Administration	-	13,952	13,629	323
Central Services	-	900	1,079	(179)
Total Expenditures	<u>-</u>	<u>134,717</u>	<u>134,717</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(42,809)	(42,809)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(42,809)</u>	<u>(42,809)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(42,809)</u>	<u>(42,809)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			42,809	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	3,573	-	(3,573)
Total Revenues	<u>-</u>	<u>3,573</u>	<u>-</u>	<u>(3,573)</u>
Expenditures:				
Current:				
Support Services:	-	-		
Instruction	-	3,573	3,388	185
Total Expenditures	<u>-</u>	<u>3,573</u>	<u>3,388</u>	<u>185</u>
Deficiency of Revenues Under Expenditures	-	-	(3,388)	(3,388)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,388)</u>	<u>(3,388)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,388)</u>	<u>(3,388)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,388	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	2,558	1,200	(1,358)
Total Revenues	<u>-</u>	<u>2,558</u>	<u>1,200</u>	<u>(1,358)</u>
Expenditures:				
Current:				
Instruction	-	7,964	3,175	4,789
Operation & Maintenance of Plant	-	700	395	305
Total Expenditures	<u>-</u>	<u>8,664</u>	<u>3,570</u>	<u>5,094</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(6,106)</u>	<u>(2,370)</u>	<u>3,736</u>
Other Financing Sources (Uses):				
Designated Cash	-	6,106	-	(6,106)
Total Other Financing Sources (Uses):	<u>-</u>	<u>6,106</u>	<u>-</u>	<u>(6,106)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,370)</u>	<u>(2,370)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>6,106</u>	<u>6,106</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,736</u>	<u>3,736</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (2,370)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State grant	\$ -	269,712	269,712	-
Total Revenues	<u>-</u>	<u>269,712</u>	<u>269,712</u>	<u>-</u>
Expenditures:				
Current:				
Capital outlay	-	269,712	269,712	-
Total Expenditures	<u>-</u>	<u>269,712</u>	<u>269,712</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay - State 31400
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 215,000	215,000	215,000	-
Total Revenues	<u>215,000</u>	<u>215,000</u>	<u>215,000</u>	<u>-</u>
Expenditures:				
Capital outlay	215,000	215,000	215,000	-
Total Expenditures	<u>215,000</u>	<u>215,000</u>	<u>215,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ 210,876	210,876	210,950	74
Total Revenues	<u>210,876</u>	<u>210,876</u>	<u>210,950</u>	<u>74</u>
Expenditures:				
Capital Outlay	233,200	233,200	217,890	15,310
Total Expenditures	<u>233,200</u>	<u>233,200</u>	<u>217,890</u>	<u>15,310</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(22,324)</u>	<u>(22,324)</u>	<u>(6,940)</u>	<u>15,384</u>
Other Financing Sources (Uses):				
Designated Cash	22,324	22,324	-	(22,324)
Total Other Financing Sources (Uses):	<u>22,324</u>	<u>22,324</u>	<u>-</u>	<u>(22,324)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,940)</u>	<u>(6,940)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>103,305</u>	<u>103,305</u>
Cash or fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>96,365</u>	<u>96,365</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(799)	
NET CHANGE IN FUND BALANCE			<u>\$ (7,739)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ 105,451	105,451	99,694	(5,757)
State Grant	16,143	24,550	25,062	512
Total Revenues	<u>121,594</u>	<u>130,001</u>	<u>124,756</u>	<u>(5,245)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	1,055	1,055	-	1,055
Capital Outlay	120,539	128,946	65,836	63,110
Total Expenditures	<u>121,594</u>	<u>130,001</u>	<u>65,836</u>	<u>64,165</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>58,920</u>	<u>58,920</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>58,920</u>	<u>58,920</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>58,920</u>	<u>58,920</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,431</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 60,351</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Bank of the West	FNMA	3138MAKS6	9/1/2042	\$ 892,500
				<u>\$ 892,500</u>

Total Cash per Schedule of Cash Accounts Excluding Foundation:	\$ 563,261
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	313,261
Collateral Requirement:	156,631
Pledged Collateral Held by Pledging Financial Institution:	<u>892,500</u>
Balance Over Collateralized:	<u>\$ 735,869</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Bank of the West</u>
Checking - Operational Account	\$ 542,935
Checking - Activity Account	20,326
Checking - Foundation	<u>532,904</u>
Total on Deposit	1,096,165
Reconciling Items	<u>(103,638)</u>
Reconciled Balance June 30, 2014	<u>992,527</u>
Less Agency Funds	<u>(19,522)</u>
Total Cash	<u><u>\$ 973,005</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Non-Instr. Fund 23000
Cash, June 30, 2013	\$ 311,630	6,681	16,750
Add:			
2013-14 Revenues	<u>2,740,565</u>	<u>26,541</u>	<u>31,075</u>
Total Cash Available	3,052,195	33,222	47,825
Less:			
2013-14 Expenditures	(2,735,443)	(21,710)	(28,303)
Receivables/Payables	47,096	-	-
Outstanding Loans	<u>(89,989)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>273,859</u>	<u>11,512</u>	<u>19,522</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	-	-	-
Cash Per Books	<u>273,859</u>	<u>11,512</u>	<u>19,522</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>20,619</u>	<u>-</u>	<u>(19,522)</u>
Fund Balance , Modified Accrual Basis	<u>\$ 294,478</u>	<u>11,512</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Federal Direct 25000	Local Grants Fund 26000	State Flowthrough 27000	Local or State Fund 29000	Public School Capital Outlay 31200	Special Capital Outlay State 31400
(54,362)	-	2,577	(25,269)	6,106	-	-
128,277	25,670	1,250	126,319	1,200	269,712	215,000
73,915	25,670	3,827	101,050	7,306	269,712	215,000
(106,378)	(25,670)	(3,827)	(159,138)	(3,570)	(269,712)	(215,000)
502	29	-	61	-	-	-
31,961	-	-	58,027	-	-	-
-	29	-	-	3,736	-	-
-	-	-	-	-	-	-
-	29	-	-	3,736	-	-
-	(29)	-	-	-	-	-
-	-	-	-	3,736	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
East Mountain High School
Cash Reconciliation (Continued)
June 30, 2014

	Capital Improv. HB 33 31600	Capital Improv. SB9 31700	Total Government
Cash, June 30, 2013	\$ 98,984	(155)	362,942
Add:			
2013-14 Revenues	<u>210,950</u>	<u>124,911</u>	<u>3,901,470</u>
Total Cash Available	309,934	124,756	4,264,412
Less:			
2013-14 Expenditures	(217,889)	(65,836)	(3,852,476)
Receivables/Payables	-	-	47,688
Outstanding Loans	<u>-</u>	<u>-</u>	<u>(1)</u>
Cash June 30, 2014	<u>92,045</u>	<u>58,920</u>	<u>459,623</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit reclassifications to cash	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>92,045</u>	<u>58,920</u>	<u>459,623</u>
		Activity Fund	(19,522)
		Foundation	532,904
Balance Sheet- Government Funds			<u>\$ 973,005</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>3,521</u>	<u>1,431</u>	<u>6,020</u>
Fund Balance , Modified Accrual Basis	<u>\$ 95,566</u>	<u>60,351</u>	<u>465,643</u>
		Foundation	457,581
			<u>\$ 923,224</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Net Position
June 30, 2014

ASSETS

Current assets:

Cash and Cash Equivalents	\$ 184,087
Receivables	
Due from Other Governments	79,475
Deposits	38,118
Other	6,794
Total Current Assets	<u>308,474</u>

Noncurrent Assets:

Capital Assets	
Leasehold Improvements	723,897
Furniture, Fixtures, and Equipment	18,409
Less: Accumulated Depreciation	(217,395)
Total Noncurrent Assets	<u>524,911</u>
Total Assets	<u>833,385</u>

LIABILITIES

Current Liabilities:

Accounts Payable	9,482
Accrued Liabilities	157,862
Compensated Absences	1,771
Current Portion of Long-Term Debt	59,303
Total Current Liabilities	<u>228,418</u>

Noncurrent Liabilities:

Long-term Debt	147,368
Total Noncurrent Liabilities	<u>147,368</u>
Total Liabilities	<u>375,786</u>

NET POSITION

Net Investment in Capital Assets	318,240
Restricted	105,722
Unrestricted	33,637
Total Net Position	<u>\$ 457,599</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,528,468	-	226,730	-	(1,301,738)
Support services:					
Students	172,236	-	-	-	(172,236)
Instruction	12,842	-	-	-	(12,842)
General Administration	21,830	-	-	-	(21,830)
School Administration	233,829	-	-	-	(233,829)
Central Services	105,199	-	-	-	(105,199)
Operation & Maintenance of Plant	380,349	-	-	-	(380,349)
Interest on Long-Term Debt	15,899	-	-	-	(15,899)
Facilities, Materials, Supplies & Other Services	428,347	-	-	208,976	(219,371)
Total Governmental Activities	\$ 2,898,999	-	226,730	208,976	(2,463,293)
			General Revenues:		
			State Equalization Guarantee	\$ 2,319,409	
			State Appropriations	117,095	
			Miscellaneous	73,896	
			Total General Revenues	<u>2,510,400</u>	
			Change in Net Position	<u>47,107</u>	
			Net Position, Beginning	354,466	
			Restatement (Note 6)	<u>56,026</u>	
			Net Position-Beginning, as Restated	<u>410,492</u>	
			Net Position, Ending	<u>\$ 457,599</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Balance Sheets - Governmental Funds
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>IDEA-B Entitlement 24106</u>	<u>IDEA-B Risk Pool 24120</u>	<u>Federal Charter School Planning 24146</u>
ASSETS					
Cash and Cash Equivalents	\$ 113,371	5,722	-	-	-
Accounts Receivable					
Due from Government	-	-	28,785	-	1,673
Due from Other Funds	79,447	-	-	-	-
Other	-	-	-	-	-
Deposits	-	-	-	-	100,000
<i>Total Assets</i>	<u>\$ 192,818</u>	<u>5,722</u>	<u>28,785</u>	<u>-</u>	<u>101,673</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 6,659	-	-	-	-
Accrued Expenses	156,380	-	-	-	-
Deposits Payable	-	-	-	-	-
Due to Other Funds	-	-	28,785	-	1,673
Total Liabilities	<u>163,039</u>	<u>-</u>	<u>28,785</u>	<u>-</u>	<u>1,673</u>
<i>Fund Balances</i>					
Fund Balance:					
Restricted for:					
Deposits	-	-	-	-	100,000
Instruction	-	5,722	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	29,779	-	-	-	-
Total Fund Balances	<u>29,779</u>	<u>5,722</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
<i>Total Liabilities and fund balance</i>	<u>\$ 192,818</u>	<u>5,722</u>	<u>28,785</u>	<u>-</u>	<u>101,673</u>

The accompanying notes are an integral part of these financial statements

Teacher and Principal Training 24154	Center for Teacher Excellence 27114	STEM Teacher Initiative 27181	Next Generation Assessment 27185	Public School Outlay 31200	SB-9 Capital Improvements 31700	Foundation	Total
1,454	-	-	-	-	-	63,540	184,087
-	27,394	5,000	10,393	-	6,230	-	79,475
-	-	-	-	-	-	-	79,447
-	-	-	-	-	-	6,794	6,794
-	-	-	-	-	-	38,118	138,118
<u>1,454</u>	<u>27,394</u>	<u>5,000</u>	<u>10,393</u>	<u>-</u>	<u>6,230</u>	<u>108,452</u>	<u>487,921</u>
-	-	-	-	-	-	2,823	9,482
1,454	28	-	-	-	-	-	157,862
-	-	-	-	-	-	100,000	100,000
-	27,366	5,000	10,393	-	6,230	-	79,447
<u>1,454</u>	<u>27,394</u>	<u>5,000</u>	<u>10,393</u>	<u>-</u>	<u>6,230</u>	<u>102,823</u>	<u>346,791</u>
-	-	-	-	-	-	-	100,000
-	-	-	-	-	-	-	5,722
-	-	-	-	-	-	5,629	35,408
-	-	-	-	-	-	5,629	141,130
<u>1,454</u>	<u>27,394</u>	<u>5,000</u>	<u>10,393</u>	<u>-</u>	<u>6,230</u>	<u>108,452</u>	<u>487,921</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Estancia Valley Classical Academy
 Reconciliation of the Balance Sheet- Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 141,130**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	742,306	
Accumulated Depreciation	(217,395)	
	524,911	524,911

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Compensated Absences	(1,771)	
Long-Term Debt	(206,671)	
	(208,442)	(208,442)

Net Position-Total Governmental Activities **\$ 457,599**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Federal Charter School Planning 24146
Revenues:					
State grant	\$ 2,436,504	24,079	-	-	-
Federal grant	-	-	48,930	620	78,569
Fees	214	-	-	-	-
Total Revenues	2,436,718	24,079	48,930	620	78,569
Expenditures:					
Current:					
Instruction	1,376,500	19,671	-	620	67,434
Support Services:					
Students	121,482	-	48,930	-	1,824
Instruction	2,449	-	-	-	-
General Administration	21,830	-	-	-	-
School Administration	232,520	-	-	-	1,309
Central Services	105,199	-	-	-	-
Operation & Maintenance of Plant	507,697	-	-	-	224,413
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	2,367,677	19,671	48,930	620	294,980
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	69,041	4,408	-	-	(216,411)
Other Financing Sources (Uses):					
Proceeds from Long-Term Debt	-	-	-	-	-
Total Other Financing Sources (Uses):	-	-	-	-	-
Net Changes in Fund Balances	69,041	4,408	-	-	(216,411)
Fund Balances (Deficit) - Beginning of Year	(39,262)	1,314	-	-	216,411
Restatement (Note 6)	-	-	-	-	100,000
Fund Balances (Deficit) - Beginning of Year, as Restated	(39,262)	1,314	-	-	316,411
Fund balances - End of Year	\$ 29,779	5,722	-	-	100,000

The accompanying notes are an integral part of these financial statements

Teacher and Principal Training 24154	Center for Teacher Excellence 27114	STEM Teacher Initiative 27181	Next Generation Assessment 27185	Public School Outlay 31200	SB-9 Capital Improvements 31700	Foundation	Total
-	45,363	10,000	10,393	202,746	6,230	849,576	3,584,891
8,776	-	-	-	-	-	-	136,895
-	-	-	-	-	-	-	214
<u>8,776</u>	<u>45,363</u>	<u>10,000</u>	<u>10,393</u>	<u>202,746</u>	<u>6,230</u>	<u>849,576</u>	<u>3,722,000</u>
8,776	45,363	10,000	-	-	-	-	1,528,364
-	-	-	-	-	-	-	172,236
-	-	-	10,393	-	-	-	12,842
-	-	-	-	-	-	-	21,830
-	-	-	-	-	-	-	233,829
-	-	-	-	-	-	-	105,199
-	-	-	-	-	-	-	732,110
-	-	-	-	202,746	6,230	735,965	944,941
-	-	-	-	-	-	47,465	47,465
-	-	-	-	-	-	15,899	15,899
<u>8,776</u>	<u>45,363</u>	<u>10,000</u>	<u>10,393</u>	<u>202,746</u>	<u>6,230</u>	<u>799,329</u>	<u>3,814,715</u>
-	-	-	-	-	-	50,247	(92,715)
-	-	-	-	-	-	75,243	75,243
-	-	-	-	-	-	75,243	75,243
-	-	-	-	-	-	125,490	(17,472)
-	-	-	-	-	-	(57,979)	120,484
-	-	-	-	-	-	(61,882)	38,118
-	-	-	-	-	-	(119,861)	158,602
-	-	-	-	-	-	5,629	141,130

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Estancia Valley Classical Academy
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (17,472)**

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

Change in compensated absences (104)

Principal Payments on Long-Term Debt 47,465

Proceeds from Long-Term Debt (75,243)

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	236,542	
Depreciation Expense	(144,081)	
	92,461	92,461

Change in Net Position-Total Governmental Activities **\$ 47,107**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 1,971
Total Assets	<u>\$ 1,971</u>
LIABILITIES	
Deposits Held for Others	\$ 1,971
Total Liabilities	<u>\$ 1,971</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 1,195	8,585	7,809	1,971
Total Assets	<u>\$ 1,195</u>	<u>8,585</u>	<u>7,809</u>	<u>1,971</u>
LIABILITIES				
Deposits Held for Others	\$ 1,195	8,585	7,809	1,971
Total Liabilities	<u>\$ 1,195</u>	<u>8,585</u>	<u>7,809</u>	<u>1,971</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Estancia Valley Classical Academy's (EVCA) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The EVCA does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The EVCA utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures, and Equipment	6 years
Leasehold Improvements	4-5 years

Capital assets for the EVCA are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance June 30, 2013, <u>As restated</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 18,409	-	-	18,409
Leasehold improvements	487,355	236,542	-	723,897
<i>Total</i>	505,764	236,542	-	742,306
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(511)	(3,068)	-	(3,579)
Leasehold improvements	(72,803)	(141,013)	-	(213,816)
<i>Total</i>	(73,314)	(144,081)	-	(217,395)
Net Capital Assets	\$ 432,450	92,461	-	524,911

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2014 was expensed to the following functions:

Operations/Plant Maintenance	\$ 3,068
Facilities, Materials, Supplies and Other Services	141,013
Total	<u>\$ 144,081</u>

NOTE 3. LONG-TERM DEBT

The Estancia Valley Classical Academy Foundation (Foundation) entered into two financing agreements to finance portions of the installation and delivery costs for modular buildings. The agreements were entered into on August 15, 2012 and October 15, 2013. Both agreements have an annual interest rate of 8%. The total notes payable as of June 30, 2014 are as follows:

Installation and Delivery Financing Agreement for Modular Buildings 1 and 2; Interest rate 8% due in monthly installments; Maturing August 1, 2017	\$ 143,893
Installation and Delivery Financing Agreement for Modular Building 3; Interest rate 8% due in monthly installments; Maturing August 1, 2017	62,778
Total notes payable	<u>\$ 206,671</u>

The aggregate amounts of principal maturities and interest of notes payable are as follows:

	Principal	Interest	Total
2015	\$ 59,303	17,116	76,419
2016	64,123	9,296	73,419
2017	69,344	4,075	73,419
2018	13,901	153	14,054
Total	<u>\$ 206,671</u>	<u>30,640</u>	<u>237,311</u>

The EVCA had a compensated absences balance of \$1,667 at the beginning of the fiscal year. Increases to the balance were \$104 which resulted in an ending balance of \$1,771. All of this balance is considered to be current.

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Estancia Valley Classical Academy
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 4. COMMITMENTS AND CONTINGENCIES

The EVCA leases various equipment and facilities under long-term cancelable operating leases. The facilities are leased from the Foundation. Rental expense for the year ended June 30, 2014 was \$521,362. The EVCA's minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 628,446
2016	633,068
2017	633,068
2018	52,756
Total:	<u>\$ 1,947,338</u>

The Foundation approved operating leases for modular buildings on August 5, 2012 and August 19, 2013. The Foundation also entered into a land lease on July 20, 2012. The Foundation's minimum future payments on the buildings and land leases are as follows:

Year Ending June 30:	
2015	\$ 455,928
2016	458,328
2017	460,278
2018	42,794
Total:	<u>\$ 1,417,328</u>

NOTE 5. RELATED PARTIES

The EVCA has a Foundation which subleases the property to the school. The Foundation is considered a component unit of the EVCA and is presented as a blended component unit.

NOTE 6. PRIOR PERIOD RESTATEMENTS

At June 30, 2013, the EVCA did not report a lease deposit of \$100,000 that should have been reported in the Federal Charter School Planning fund. The lease deposit is in accordance with the lease agreement between the EVCA and the Foundation. As a result, a prior period restatement was made to increase fund balance and include the lease deposit of \$100,000 as of the beginning of the year in the Federal Charter School Planning fund.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6. PRIOR PERIOD RESTATEMENTS (CONTINUED)

At June 30, 2013, the Foundation did not report a lease payable of \$100,000 that should have been reported in the governmental fund financial statements. The lease deposit is in accordance with the lease agreement between the EVCA and the Foundation. In addition, the Foundation did not report a lease deposit of \$38,118 with the landlord as of June 30, 2013. As a result, a prior period restatement of \$61,882 was made to decrease fund balance and to include the lease deposit of \$38,118 and the lease payable of \$100,000 as of the beginning of the year for the Foundation fund.

At June 30, 2013, the EVCA did not include certain capital assets of \$197,101, a lease deposit of \$38,118 and a note payable of \$179,193 in the Statement of Net Position. During 2014, management discovered these missing balances and corrected them accordingly. As a result, a prior period restatement of \$56,026 was made to increase net position as of the beginning of the year.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,455,390	2,431,978	2,436,504	4,526
Fees	-	-	214	214
Total Revenues	<u>2,455,390</u>	<u>2,431,978</u>	<u>2,436,718</u>	<u>4,740</u>
Expenditures:				
Current:				
Instruction	1,512,712	1,377,600	1,377,376	224
Support Services:				
Students	136,766	141,766	119,004	22,762
Instruction	1,000	1,000	1,000	-
General Administration	19,000	24,000	21,830	2,170
School Administration	235,933	232,874	232,352	522
Central Services	25,699	107,225	105,199	2,026
Operation & Maintenance of Plant	619,280	647,027	643,908	3,119
Total Expenditures	<u>2,550,390</u>	<u>2,531,492</u>	<u>2,500,669</u>	<u>30,823</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(95,000)</u>	<u>(99,514)</u>	<u>(63,951)</u>	<u>35,563</u>
Other Financing Sources (Uses):				
Designated Cash	95,000	99,514	-	(99,514)
Total Other Financing Sources (Uses):	<u>95,000</u>	<u>99,514</u>	<u>-</u>	<u>(99,514)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(63,951)</u>	<u>(63,951)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>170,301</u>	<u>170,301</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>106,350</u>	<u>106,350</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>132,992</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 69,041</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 15,689	19,427	24,079	4,652
Total Revenues	<u>15,689</u>	<u>19,427</u>	<u>24,079</u>	<u>4,652</u>
Expenditures:				
Current:				
Instruction	15,689	20,741	19,671	1,070
Total Expenditures	<u>15,689</u>	<u>20,741</u>	<u>19,671</u>	<u>1,070</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,314)</u>	<u>4,408</u>	<u>5,722</u>
Other Financing Sources (Uses):				
Designated Cash	-	1,314	-	(1,314)
Total Other Financing Sources (Uses):	<u>-</u>	<u>1,314</u>	<u>-</u>	<u>(1,314)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,408</u>	<u>4,408</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,314</u>	<u>1,314</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,722</u>	<u>5,722</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 4,408</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	48,930	20,145	(28,785)
Total Revenues	<u>-</u>	<u>48,930</u>	<u>20,145</u>	<u>(28,785)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	48,930	48,930	-
Total Expenditures	<u>-</u>	<u>48,930</u>	<u>48,930</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(28,785)</u>	<u>(28,785)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(28,785)</u>	<u>(28,785)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(28,785)</u>	<u>(28,785)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>28,785</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	620	1,027	407
Total Revenues	<u>-</u>	<u>620</u>	<u>1,027</u>	<u>407</u>
Expenditures:				
Current:				
Instruction	-	620	620	-
Total Expenditures	<u>-</u>	<u>620</u>	<u>620</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>407</u>	<u>407</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>407</u>	<u>407</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(407)</u>	<u>(407)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(407)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter School Planning 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	78,569	151,716	73,147
Total Revenues	<u>-</u>	<u>78,569</u>	<u>151,716</u>	<u>73,147</u>
Expenditures:				
Current:				
Instruction	-	67,434	67,434	-
Support Services:				
Students	-	1,900	1,900	-
School Administration	-	2,239	2,239	-
Operation & Maintenance of Plant	-	6,996	6,996	-
Total expenditures	<u>-</u>	<u>78,569</u>	<u>78,569</u>	<u>-</u>
<i>Excess of revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>73,147</u>	<u>73,147</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>73,147</u>	<u>73,147</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25,180</u>	<u>25,180</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>98,327</u>	<u>98,327</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(73,147)	
Adjustments to Expenditures			(216,411)	
NET CHANGE IN FUND BALANCE			<u>\$ (216,411)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 10,401	8,776	20,333	11,557
Total Revenues	<u>10,401</u>	<u>8,776</u>	<u>20,333</u>	<u>11,557</u>
Expenditures:				
Current:				
Instruction	10,401	8,776	8,776	-
Total Expenditures	<u>10,401</u>	<u>8,776</u>	<u>8,776</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>11,557</u>	<u>11,557</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,557</u>	<u>11,557</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(11,557)</u>	<u>(11,557)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(11,557)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Center for Teacher Excellence 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	48,342	17,969	(30,373)
Total Revenues	<u>-</u>	<u>48,342</u>	<u>17,969</u>	<u>(30,373)</u>
Expenditures:				
Current:				
Instruction	-	48,342	45,363	2,979
Total Expenditures	<u>-</u>	<u>48,342</u>	<u>45,363</u>	<u>2,979</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(27,394)</u>	<u>(27,394)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(27,394)</u>	<u>(27,394)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(27,394)</u>	<u>(27,394)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>27,394</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
STEM Teacher Initiative 27181
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	10,000	5,000	(5,000)
Total Revenues	<u>-</u>	<u>10,000</u>	<u>5,000</u>	<u>(5,000)</u>
Expenditures:				
Current:				
Instruction	-	10,000	10,000	-
Total Expenditures	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>5,000</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessment 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	10,393	-	(10,393)
Total Revenues	<u>-</u>	<u>10,393</u>	<u>-</u>	<u>(10,393)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	10,393	10,393	-
Total expenditures	<u>-</u>	<u>10,393</u>	<u>10,393</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,393)</u>	<u>(10,393)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,393)</u>	<u>(10,393)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,393)</u>	<u>(10,393)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			10,393	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	202,746	202,746	-
Total Revenues	<u>-</u>	<u>202,746</u>	<u>202,746</u>	<u>-</u>
Expenditures:				
Capital outlay	-	202,746	202,746	-
Total Expenditures	<u>-</u>	<u>202,746</u>	<u>202,746</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	6,230	-	(6,230)
Total Revenues	<u>-</u>	<u>6,230</u>	<u>-</u>	<u>(6,230)</u>
Expenditures:				
Capital outlay	-	6,230	6,230	-
Total Expenditures	<u>-</u>	<u>6,230</u>	<u>6,230</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(6,230)</u>	<u>(6,230)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,230)</u>	<u>(6,230)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,230)</u>	<u>(6,230)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>6,230</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				<u>\$ -</u>
Total Cash per Schedule of Cash Accounts (Excluding Foundation):				\$ 155,455
Less: FDIC coverage:				<u>(155,455)</u>
Uninsured public funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				<u>-</u>
Balance (Over) Under Collateralized:				<u><u>\$ -</u></u>
Balance Uninsured and Uncollateralized at June 30, 2014:				<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Estancia Valley Classical Academy
 Schedule of Cash Accounts
 June 30, 2014

Bank Account Type	US Bank
Checking - Operational	\$ 155,455
Checking - Foundation	<u>68,162</u>
<i>Total on Deposit</i>	223,617
Reconciling Items	<u>(37,559)</u>
Reconciled Balance June 30, 2014	<u>186,058</u>
Less Agency Funds	<u>(1,971)</u>
<i>Total Cash</i>	<u><u>\$ 184,087</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Estancia Valley Classical Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Activity Account 23000
Cash, June 30, 2013	\$ 96,900	1,314	1,195
Add:			
2013-14 Revenues	<u>2,436,718</u>	<u>24,079</u>	<u>8,585</u>
Total Cash Available	2,533,618	25,393	9,780
Less:			
2013-14 Expenditures	(2,500,669)	(19,671)	(7,809)
Receivables/Payables	147,905	-	-
Outstanding Loans	<u>(67,483)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>113,371</u>	<u>5,722</u>	<u>1,971</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>113,371</u>	<u>5,722</u>	<u>1,971</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>(83,592)</u>	<u>-</u>	<u>(1,971)</u>
Fund Balance , Modified Accrual Basis	<u>\$ 29,779</u>	<u>5,722</u>	<u>-</u>

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

Federal Project Accounts 24000	State Flow Through Fund 27000	Public School Outlay 31200	SB-9 Capital Improvements 31700	Total
63,957	-	-	-	163,366
<u>193,221</u>	<u>22,969</u>	<u>202,746</u>	<u>-</u>	<u>2,888,318</u>
257,178	22,969	202,746	-	3,051,684
(136,895)	(65,756)	(202,746)	(6,230)	(2,939,776)
(137,323)	28	-	-	10,610
<u>18,494</u>	<u>42,759</u>	<u>-</u>	<u>6,230</u>	<u>-</u>
<u>1,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,518</u>
-	-	-	-	-
<u>1,454</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>122,518</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:				(1,971)
Foundation:				63,540
Balance Sheets - Governmental Funds:				<u>\$ 184,087</u>
<u>98,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,983</u>
<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,501</u>
Foundation:				5,629
Balance Sheets - Governmental Funds:				<u>\$ 141,130</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 330,308
Receivables	
Due from Other Governments	124,601
Total Current Assets	<u>454,909</u>

Noncurrent Assets

Capital Assets	
Furniture, Fixtures, and Equipment	162,545
Less: Accumulated Depreciation	(84,229)
Total Noncurrent Assets	<u>78,316</u>

Total Assets	<u>533,225</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	9,527
Accrued Liabilities	112,655
Total Current Liabilities	<u>122,182</u>

Total Liabilities	<u>122,182</u>
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NET POSITION

Investment in Capital Assets	78,316
Restricted	69,190
Unrestricted	263,537
Total Net Position	<u>\$ 411,043</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,251,048	-	136,134	-	(1,114,914)
Support services:					
Students	365,142	-	-	-	(365,142)
General Administration	22,096	-	-	-	(22,096)
School Administration	199,607	-	-	-	(199,607)
Central Services	84,184	-	-	-	(84,184)
Operation & Maintenance of Plant	194,995	-	-	-	(194,995)
Services	67,699	-	-	130,782	63,083
Total Governmental Activities	\$ 2,184,771	-	136,134	130,782	(1,917,855)
General Revenues:					
Property Taxes					\$ 48,248
State Equalization Guarantee					1,768,917
Total General Revenues					1,817,165
Change in Net Position					(100,690)
Net Position, Beginning					511,733
Net Position, Ending					\$ 411,043

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 260,793	18,155	-	-
Accounts Receivable				
Due from Government	-	-	49,709	40,380
Due from Other Funds	127,819	-	-	-
<i>Total Assets</i>	<u>\$ 388,612</u>	<u>18,155</u>	<u>49,709</u>	<u>40,380</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 9,202	-	-	-
Accrued Expenditures	112,655	-	-	-
Due to Other Funds	-	-	49,709	43,598
Total Liabilities	<u>121,857</u>	<u>-</u>	<u>49,709</u>	<u>43,598</u>
<i>Fund Balances</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	18,155	-	-
Capital Improvements	-	-	-	-
Unassigned (Deficit):	266,755	-	-	(3,218)
Total Fund Balances (Deficit)	<u>266,755</u>	<u>18,155</u>	<u>-</u>	<u>(3,218)</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 388,612</u>	<u>18,155</u>	<u>49,709</u>	<u>40,380</u>

The accompanying notes are an integral part of these financial statements

Title I School Improvement 24162	Beginning Teacher Mentoring 27154	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	2,787	325	48,248	330,308
34,512	-	-	-	124,601
-	-	-	-	127,819
<u>34,512</u>	<u>2,787</u>	<u>325</u>	<u>48,248</u>	<u>582,728</u>
-	-	325	-	9,527
-	-	-	-	112,655
34,512	-	-	-	127,819
<u>34,512</u>	<u>-</u>	<u>325</u>	<u>-</u>	<u>250,001</u>
-	2,787	-	-	20,942
-	-	-	48,248	48,248
-	-	-	-	263,537
-	<u>2,787</u>	<u>-</u>	<u>48,248</u>	<u>332,727</u>
<u>34,512</u>	<u>2,787</u>	<u>325</u>	<u>48,248</u>	<u>582,728</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 332,727**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	162,545	
Accumulated Depreciation	(84,229)	
	78,316	78,316

Net Position-Total Governmental Activities **\$ 411,043**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Property Taxes	\$ -	-	-	-
State Grant	1,768,917	11,533	-	-
Federal Grant	-	-	49,709	40,380
Total Revenues	<u>1,768,917</u>	<u>11,533</u>	<u>49,709</u>	<u>40,380</u>
Expenditures:				
Current:				
Instruction	1,156,702	3,859	-	40,380
Support Services:				
Students	315,433	-	49,709	-
General Administration	22,096	-	-	-
School Administration	199,607	-	-	-
Central Services	84,184	-	-	-
Operation & Maintenance of Plant	194,995	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,973,017</u>	<u>3,859</u>	<u>49,709</u>	<u>40,380</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(204,100)</u>	<u>7,674</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(204,100)</u>	<u>7,674</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>470,855</u>	<u>10,481</u>	<u>-</u>	<u>(3,218)</u>
Fund Balances (Deficit) - End of Year	<u>\$ 266,755</u>	<u>18,155</u>	<u>-</u>	<u>(3,218)</u>

The accompanying notes are an integral part of these financial statements

Title I School Improvement 24162	Beginning Teacher Mentoring 27154	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	48,248	48,248
-	-	130,782	-	1,911,232
34,512	-	-	-	124,601
<u>34,512</u>	<u>-</u>	<u>130,782</u>	<u>48,248</u>	<u>2,084,081</u>
34,512	-	-	-	1,235,453
-	-	-	-	365,142
-	-	-	-	22,096
-	-	-	-	199,607
-	-	-	-	84,184
-	-	-	-	194,995
-	-	130,782	-	130,782
<u>34,512</u>	<u>-</u>	<u>130,782</u>	<u>-</u>	<u>2,232,259</u>
-	-	-	48,248	(148,178)
-	-	-	48,248	(148,178)
-	2,787	-	-	480,905
<u>-</u>	<u>2,787</u>	<u>-</u>	<u>48,248</u>	<u>332,727</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (148,178)**

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

Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays	63,083	
Depreciation Expense	(15,595)	
	47,488	47,488

Change in Net Position-Total Governmental Activities **\$ (100,690)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 21,043</u>
Total Assets	<u><u>\$ 21,043</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 21,043</u>
Total Liabilities	<u><u>\$ 21,043</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 13,234	\$ 13,787	\$ 5,978	\$ 21,043
Total Assets	<u>\$ 13,234</u>	<u>\$ 13,787</u>	<u>\$ 5,978</u>	<u>21,043</u>
LIABILITIES				
Deposits Held for Others	\$ 13,234	\$ 13,787	\$ 5,978	\$ 21,043
Total Liabilities	<u>\$ 13,234</u>	<u>\$ 13,787</u>	<u>\$ 5,978</u>	<u>\$ 21,043</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The State’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Gilbert L. Sena Charter High School (GLSCHS) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The GLSCHS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 10 years

NOTE 2. CAPITAL ASSETS

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

	Balance	Additions	Deletions	Balance
	<u>June 30, 2013</u>			<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 99,462	63,083	-	162,545
<i>Total</i>	99,462	63,083	-	162,545
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(68,634)	(15,595)	-	(84,229)
<i>Total</i>	(68,634)	(15,595)	-	(84,229)
Capital Assets, Net	\$ 30,828	47,488	-	78,316

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 15,595
Total	\$ 15,595

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

Leases

The GLSCHS leased facilities under long-term cancelable operating leases. Rent expense for the year ended June 30, 2014 was \$193,660. The GLSCHS's minimum future payments on this lease are as follows:

Year Ending June 30:		
2015	\$	197,533
2016		201,484
2017		205,514
2018		211,679
2019		215,913
Total	\$	<u>1,032,123</u>

NOTE 4. DEFICIENT FUND BALANCE

The following fund had a deficient fund balance at June 30, 2014:

IDEA-B Entitlement - 24106	\$	(3,218)
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NOTE 5. RELATED PARTIES

The Business Manager and his spouse operate a company that provides bookkeeping services for the school. The company also provides services to La Promesa Early Learning Center and The Montessori Elementary School, all state charter schools.

NOTE 6. SUBSEQUENT EVENTS

Gilbert L. Sena has two possible lawsuits pending. There is a contract dispute over a potential building lease as well as a contract dispute with a former Business Manager.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,774,067	1,787,281	1,768,917	(18,364)
Total Revenues	<u>1,774,067</u>	<u>1,787,281</u>	<u>1,768,917</u>	<u>(18,364)</u>
Expenditures:				
Current:				
Instruction	1,054,116	1,213,330	1,166,814	46,516
Support Services:				
Students	379,942	379,942	315,433	64,509
General Administration	29,000	29,000	22,096	6,904
School Administration	152,510	200,365	199,607	758
Central Services	57,500	84,500	84,184	316
Operation & Maintenance of Plant	350,999	350,999	185,793	165,206
Total Expenditures	<u>2,024,067</u>	<u>2,258,136</u>	<u>1,973,927</u>	<u>284,209</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(250,000)</u>	<u>(470,855)</u>	<u>(205,010)</u>	<u>265,845</u>
Other Financing Sources (Uses):				
Designated Cash	250,000	470,855	-	(470,855)
Total Other Financing Sources (Uses):	<u>250,000</u>	<u>470,855</u>	<u>-</u>	<u>(470,855)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(205,010)</u>	<u>(205,010)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>470,855</u>	<u>470,855</u>
Cash or Fund Balances - Beginning of Year	<u>\$ -</u>	<u>-</u>	<u>265,845</u>	<u>265,845</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>910</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (204,100)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 9,523	9,523	11,533	2,010
Total Revenues	<u>9,523</u>	<u>9,523</u>	<u>11,533</u>	<u>2,010</u>
Expenditures:				
Current:				
Instruction	9,523	9,523	3,859	5,664
Total Expenditures	<u>9,523</u>	<u>9,523</u>	<u>3,859</u>	<u>5,664</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>7,674</u>	<u>7,674</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>7,674</u>	<u>7,674</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,481</u>	<u>10,481</u>
Cash or Fund Balances - Beginning of Year	<u>\$ -</u>	<u>-</u>	<u>18,155</u>	<u>18,155</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 7,674</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 49,709	49,709	57,554	7,845
Total Revenues	<u>49,709</u>	<u>49,709</u>	<u>57,554</u>	<u>7,845</u>
Expenditures:				
Current:				
Support Services:				
Students	49,709	49,709	49,709	-
Total Expenditures	<u>49,709</u>	<u>49,709</u>	<u>49,709</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	7,845	7,845
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>7,845</u>	<u>7,845</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>\$ -</u>	<u>-</u>	<u>7,845</u>	<u>7,845</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(7,845)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 34,135	76,321	44,640	(31,681)
Total Revenues	<u>34,135</u>	<u>76,321</u>	<u>44,640</u>	<u>(31,681)</u>
Expenditures:				
Current:				
Instruction	-	40,380	40,380	-
Total Expenditures	<u>-</u>	<u>40,380</u>	<u>40,380</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>34,135</u>	<u>35,941</u>	<u>4,260</u>	<u>(31,681)</u>
Net Changes in Fund Balances	<u>34,135</u>	<u>35,941</u>	<u>4,260</u>	<u>(31,681)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>\$ 34,135</u>	<u>35,941</u>	<u>4,260</u>	<u>(31,681)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,260)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvements 24162
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 57,480	64,481	54,613	(9,868)
Total Revenues	<u>57,480</u>	<u>64,481</u>	<u>54,613</u>	<u>(9,868)</u>
Expenditures:				
Current:				
Instruction	57,480	64,481	34,512	29,969
Total Expenditures	<u>57,480</u>	<u>64,481</u>	<u>34,512</u>	<u>29,969</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	20,101	20,101
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>20,101</u>	<u>20,101</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>\$ -</u>	<u>-</u>	<u>20,101</u>	<u>20,101</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(20,101)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
Beginning Teacher Monitoring 27154
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,787</u>	<u>2,787</u>
Cash or Fund Balances - Beginning of Year	<u>\$ -</u>	<u>-</u>	<u>2,787</u>	<u>2,787</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Gilbert L. Sena Charter High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public School Capital Outlay 31200
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	131,341	130,782	(559)
Total Revenues	<u>-</u>	<u>131,341</u>	<u>130,782</u>	<u>(559)</u>
Expenditures:				
Capital Outlay	-	131,341	130,782	559
Total Expenditures	<u>-</u>	<u>131,341</u>	<u>130,782</u>	<u>559</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 52,726	52,726	48,248	(4,478)
State Grant	15,528	15,528	-	(15,528)
Total Revenues	<u>68,254</u>	<u>68,254</u>	<u>48,248</u>	<u>(20,006)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	528	528	-	528
Capital Outlay	67,726	67,726	-	67,726
Total Expenditures	<u>68,254</u>	<u>68,254</u>	<u>-</u>	<u>68,254</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	48,248	48,248
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>48,248</u>	<u>48,248</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>\$ -</u>	<u>-</u>	<u>48,248</u>	<u>48,248</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 48,248</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Gilbert L. Sena Charter High School
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo	N/A	N/A	N/A	\$ -
US Bank	N/A	N/A	N/A	-
				<u>\$ -</u>

Total Cash per Schedule of Cash Accounts:	\$	394,819
Less: FDIC Coverage:		<u>(250,000)</u>
Uninsured Public Funds:		144,819
Collateral Requirement:		72,410
Pledged Collateral Held by Pledging Financial Institution:		-
Balance (Under) Collateralized:	\$	<u>(72,410)</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>144,819</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Gilbert L. Sena Charter High School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>		
Checking - Operational Account	\$	386,053
Checking - Operational Account		<u>8,766</u>
Total on Deposit		394,819
Reconciling Items		<u>(43,468)</u>
Reconciled Balance June 30, 2014		<u>351,351</u>
Less: Agency Funds		<u>(21,043)</u>
Total Cash	\$	<u><u>330,308</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Gilbert L. Sena Charter High School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Non-Instructional Support 23000
	<u>11000</u>	<u>14000</u>	<u>23000</u>
Cash, June 30, 2013	\$ 480,967	10,481	13,234
Add:			
2013-14 Revenues	<u>1,768,917</u>	<u>11,532</u>	<u>13,787</u>
Total Cash Available	2,249,884	22,013	27,021
Less:			
2013-14 Expenditures	(1,973,927)	(3,858)	(5,978)
Receivables/Payables	112,655	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>388,612</u>	<u>18,155</u>	<u>21,043</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>(127,819)</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>260,793</u>	<u>18,155</u>	<u>21,043</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	5,962	-	(21,043)
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 266,755</u>	<u>18,155</u>	<u>-</u>

Federal Flowthrough Funds 24000	State Funds 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
(160,025)	2,787	325	-	347,769
156,807	-	130,782	48,248	2,130,073
(3,218)	2,787	131,107	48,248	2,477,842
(124,601)	-	(130,782)	-	(2,239,146)
-	-	-	-	112,655
124,601	-	-	-	124,601
(3,218)	2,787	325	48,248	475,952
3,218	-	-	-	(124,601)
-	2,787	325	48,248	351,351
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:				(21,043)
Balance Sheets - Governmental Funds:				\$ 330,308
(3,218)	-	(325)	-	(18,624)
(3,218)	2,787	-	48,248	332,727

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 474,613
Receivables	
Due from Other Governments	40,485
Prepaid Expenses	45,000
Total Current Assets	<u>560,098</u>

Noncurrent Assets:

Capital Assets	
Vehicles	126,612
Furniture, Fixtures, and Equipment	132,940
Less: Accumulated Depreciation	(45,365)
Total Noncurrent Assets	<u>214,187</u>

Total Assets	<u>774,285</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	19,960
Accrued Liabilities	9,441
Compensated Absences	65,980
Total Current Liabilities	<u>95,381</u>

NET POSITION

Investment in Capital Assets	214,187
Restricted	48,598
Unrestricted	416,119
Total Net Position	<u>\$ 678,904</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 727,777	100	93,752	-	(633,925)
Support Services:					
Students	180,648	-	-	-	(180,648)
Instruction	102,854	-	-	-	(102,854)
General Administration	209,860	-	-	-	(209,860)
School Administration	240,664	-	-	-	(240,664)
Central Services	226,580	-	-	-	(226,580)
Operation & Maintenance of Plant	282,412	-	-	-	(282,412)
Student Transportation	144,650	-	-	-	(144,650)
Food Services	10,074	-	-	-	(10,074)
Facilities Materials, Supplies & Other Services	-	-	-	128,366	128,366
Total Governmental Activities	\$ 2,125,519	100	93,752	128,366	(1,903,301)
			General Revenues:		
			State Equalization Guarantee	\$ 1,584,615	
			Miscellaneous	7,319	
			Total General Revenues	1,591,934	
			Change in Net Position		(311,367)
			Net Position, Beginning		990,271
			Net Position, Ending	\$ 678,904	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 471,015	3,598	-	-
Accounts Receivable				
Due from Government	-	-	19,980	19,517
Due from Other Funds	39,177	-	-	-
Prepays	-	-	-	-
Total Assets	\$ 510,192	3,598	19,980	19,517
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 19,960	-	-	-
Accrued Expenditures	8,133	-	771	537
Due to Other Funds	-	-	19,209	18,980
Total Liabilities	28,093	-	19,980	19,517
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	3,598	-	-
Unassigned	482,099	-	-	-
Total Fund Balance	482,099	3,598	-	-
Total Liabilities and Fund Balances	\$ 510,192	3,598	19,980	19,517

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	474,613
-	988	-	-	-	40,485
-	-	-	-	-	39,177
45,000	-	-	-	-	45,000
<u>45,000</u>	<u>988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,275</u>
-	-	-	-	-	19,960
-	-	-	-	-	9,441
-	988	-	-	-	39,177
<u>-</u>	<u>988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,578</u>
45,000	-	-	-	-	45,000
-	-	-	-	-	3,598
-	-	-	-	-	482,099
<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>530,697</u>
<u>45,000</u>	<u>988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>599,275</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Reconciliation of the Balance Sheets - Governmental Funds
To Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 530,697**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	259,552	
Accumulated Depreciation	(45,365)	
	214,187	214,187

Long-term liabilities are not due in the current period and,
 therefore, are not reported in the funds.

Compensated Absences		(65,980)
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Net Position-Total Governmental Activities **\$ 678,904**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Local & County Grant	\$ 17,950	-	-	-
State Grant	1,584,615	17,883	-	-
Federal Grant	-	-	19,980	36,295
Charges for Services	100	-	-	-
Other	7,319	-	-	-
Total Revenues	1,609,984	17,883	19,980	36,295
Expenditures:				
Current:				
Instruction	634,991	28,948	14,270	36,295
Support Services:				
Students	174,938	-	5,710	-
Instruction	102,854	-	-	-
General Administration	142,749	-	-	-
School Administration	240,664	-	-	-
Central Services	223,357	-	-	-
Operation & Maintenance of Plant	273,218	-	-	-
Student Transportation	133,045	-	-	-
Food Services Operations	10,074	-	-	-
Capital Outlay	82,971	-	-	-
Total Expenditures	2,018,861	28,948	19,980	36,295
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(408,877)	(11,065)	-	-
Net Changes in Fund Balances	(408,877)	(11,065)	-	-
Fund Balances - Beginning of Year	890,976	14,663	-	-
Fund Balances - End of Year	\$ 482,099	3,598	-	-

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Teacher Principal Training 24154	Dual Credit Instructional Materials 27103	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	17,950
-	-	656	124,312	4,054	1,731,520
-	988	-	-	-	57,263
-	-	-	-	-	100
-	-	-	-	-	7,319
-	988	656	124,312	4,054	1,814,152
-	988	656	-	-	716,148
-	-	-	-	-	180,648
-	-	-	-	-	102,854
-	-	-	-	-	142,749
-	-	-	-	-	240,664
-	-	-	-	-	223,357
-	-	-	-	-	273,218
-	-	-	-	-	133,045
-	-	-	-	-	10,074
-	-	-	124,312	4,054	211,337
-	988	656	124,312	4,054	2,234,094
-	-	-	-	-	(419,942)
-	-	-	-	-	(419,942)
45,000	-	-	-	-	950,639
45,000	-	-	-	-	530,697

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Great Academy
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For The Year Ended June 30, 2014

Net Change In Fund Balances-Total Governmental Funds **\$ (419,942)**

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

Change in compensating absences (65,980)

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period.

Capital Outlays	211,337	
Depreciation Expense	(36,782)	
	174,555	174,555

Change In Net Position-Total Governmental Activities **\$ (311,367)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Great Academy
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 1,818
Total Assets	<u>\$ 1,818</u>
LIABILITIES	
Deposits Held for Others	\$ 1,818
Total Liabilities	<u>\$ 1,818</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 1,818	-	-	1,818
Total Assets	<u>\$ 1,818</u>	<u>-</u>	<u>-</u>	<u>1,818</u>
 LIABILITIES				
Deposits Held for Others	\$ 1,818	-	-	1,818
Total Liabilities	<u>\$ 1,818</u>	<u>-</u>	<u>-</u>	<u>1,818</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Great Academy capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Great Academy does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Great Academy utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment	10 years
Vehicles, trucks, and trailers	5 years

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Capital Assets being Depreciated:				
Furniture, Fixtures, and Equipment	\$ 48,215	84,725	-	132,940
Vehicles	-	126,612	-	126,612
Total	<u>48,215</u>	<u>211,337</u>	-	<u>259,552</u>
Less: Accumulated Depreciation				
Furniture, Fixtures, and Equipment	(8,583)	(25,176)	-	(33,759)
Vehicles	-	(11,606)	-	(11,606)
Total	<u>(8,583)</u>	<u>(36,782)</u>	-	<u>(45,365)</u>
Net Fixed Assets	<u>\$ 39,632</u>	<u>174,555</u>	-	<u>214,187</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Great Academy
 Notes to the Financial Statements
 June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

General Administration	\$ 1,131
Instruction	11,629
Central Services	3,223
Operations/Plant Maintenance	9,194
Student Transportation	11,605
Total	<u>\$ 36,782</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The Great Academy leased equipment under a long-term cancelable operating lease. Facilities were leased under a short-term cancelable operating lease. Expenses for the year ended June 30, 2014 were \$193,404.

Operating lease payments as of June 30, 2014 are as follows:

Year Ending June 30:	
2015	\$ 197,708
2016	203,640
2017	209,749
2018	216,041
2019	222,523
2020	229,198
Total operating lease payments	<u>\$ 1,278,859</u>

NOTE 4. RELATED PARTIES

The Executive Director's spouse is employed as a consultant by the school from June to December of 2013 and as an employee from January to June 2014. Total paid as a consultant was \$50,000 and as an employee \$50,000. The board waived nepotism requirement during the June 2012 meeting.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	-	17,950	17,950
State Grant	1,666,367	1,584,614	1,584,615	1
Charges for Services	-	-	100	100
Other	-	-	7,319	7,319
Total Revenues	1,666,367	1,584,614	1,609,984	25,370
Expenditures:				
Current:				
Instruction	1,171,655	654,902	634,991	19,911
Support Services:				
Students	96,906	176,906	174,938	1,968
Instruction	96,033	111,033	102,854	8,179
General Administration	41,897	156,897	142,749	14,148
School Administration	299,048	249,048	240,664	8,384
Central Services	115,838	280,838	223,357	57,481
Operation & Maintenance of Plant	344,919	309,919	273,218	36,701
Student Transportation	9,247	149,247	133,045	16,202
Food Services Operations	7,850	12,850	10,074	2,776
Capital Outlay	82,971	82,971	82,971	-
Total Expenditures	2,266,364	2,184,611	2,018,861	165,750
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(599,997)</i>	<i>(599,997)</i>	<i>(408,877)</i>	<i>191,120</i>
Other Financing Sources (Uses):				
Designated Cash	599,997	599,997	-	(599,997)
Total Other Financing Sources (Uses):	599,997	599,997	-	(599,997)
Net Changes in Fund Balances	-	-	(408,877)	(408,877)
Cash or Fund Balances - Beginning of Year	-	-	890,976	890,976
Cash or Fund Balances - End of Year	\$ -	-	482,099	482,099
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (408,877)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 10,363	14,285	17,883	3,598
Total Revenues	10,363	14,285	17,883	3,598
Expenditures:				
Current:				
Instruction	13,197	28,948	28,948	-
Total Expenditures	13,197	28,948	28,948	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(2,834)</i>	<i>(14,663)</i>	<i>(11,065)</i>	<i>3,598</i>
Other Financing Sources (Uses):				
Designated Cash	2,834	14,663	-	(14,663)
Total Other Financing Sources (Uses):	2,834	14,663	-	(14,663)
Net Changes in Fund Balances	-	-	(11,065)	(11,065)
Cash or Fund Balances - Beginning of Year	-	-	14,663	14,663
Cash or Fund Balances - End of Year	\$ -	-	3,598	3,598
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (11,065)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 19,902	26,539	8,588	(17,951)
Total Revenues	<u>19,902</u>	<u>26,539</u>	<u>8,588</u>	<u>(17,951)</u>
Expenditures:				
Current:				
Instruction	9,000	15,637	14,270	1,367
Support Services:				
Students	10,902	10,902	5,710	5,192
Total Expenditures	<u>19,902</u>	<u>26,539</u>	<u>19,980</u>	<u>6,559</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(11,392)</u>	<u>(11,392)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,392)</u>	<u>(11,392)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,392)</u>	<u>(11,392)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>11,392</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	41,027	28,287	(12,740)
Total Revenues	<u>-</u>	<u>41,027</u>	<u>28,287</u>	<u>(12,740)</u>
Expenditures:				
Current:				
Instruction	-	41,027	36,295	4,732
Total Expenditures	<u>-</u>	<u>41,027</u>	<u>36,295</u>	<u>4,732</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(8,008)</u>	<u>(8,008)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,008)</u>	<u>(8,008)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,008)</u>	<u>(8,008)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>8,008</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 2,588	2,616	3,347	731
Total Revenues	<u>2,588</u>	<u>2,616</u>	<u>3,347</u>	<u>731</u>
Expenditures:				
Current:				
Instruction	2,588	2,616	988	1,628
Total Expenditures	<u>2,588</u>	<u>2,616</u>	<u>988</u>	<u>1,628</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>2,359</u>
Other Financing Sources (Uses):				
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,359</u>	<u>2,359</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,359</u>	<u>2,359</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(2,359)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	772	656	(116)
Total Revenues	<u>-</u>	<u>772</u>	<u>656</u>	<u>(116)</u>
Expenditures:				
Current:				
Instruction	-	772	656	116
Total Expenditures	<u>-</u>	<u>772</u>	<u>656</u>	<u>116</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	124,312	124,312	-
Total Revenues	<u>-</u>	<u>124,312</u>	<u>124,312</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	124,312	124,312	-
Total Expenditures	<u>-</u>	<u>124,312</u>	<u>124,312</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 4,054	4,054	4,054	-
Total Revenues	<u>4,054</u>	<u>4,054</u>	<u>4,054</u>	<u>-</u>
Expenditures:				
Capital Outlay	4,054	4,054	4,054	-
Total Expenditures	<u>4,054</u>	<u>4,054</u>	<u>4,054</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
Wells Fargo, N.A.	Federal Securities	3138N4W2	2/1/2043	\$ 32,278
Wells Fargo, N.A.	Federal Securities	31417FPV4	3/1/2043	148,311
				<u>\$ 180,589</u>

Total Cash per Schedule of Cash Accounts:	\$ 519,935
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	269,935

Collateral Requirement:	134,968
Pledged Collateral held by Pledging Financial Institution:	<u>180,589</u>
Balance Over Collateralized:	<u>\$ 45,621</u>

Balance Uninsured and Uncollateralized at June 30, 2014: **\$ 89,346**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Great Academy
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	\$ 519,935
Total on Deposit	519,935
Reconciling Items	<u>(43,504)</u>
Reconciled Balance June 30, 2014	<u>476,431</u>
Less Agency Funds	<u>(1,818)</u>
Total Cash	<u><u>\$ 474,613</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Great Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Non-Instructional Fund 23000
Cash, June 30, 2013	\$ 906,781	14,663	1,818
Add:			
2013-14 Revenues	1,609,984	17,883	-
Total Cash Available	2,516,765	32,546	1,818
Less:			
2013-14 Expenditures	(1,990,518)	(28,948)	-
Receivables/Payables	(22,252)	-	-
Cash June 30, 2014	503,995	3,598	1,818
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	(32,980)	-	-
Cash per Books	471,015	3,598	1,818
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	11,084	-	(1,818)
Fund Balance, Modified Accrual Basis	\$ 482,099	3,598	-

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	State Flowthrough 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
(17,247)	-	-	-	906,015
40,221	656	124,312	4,054	1,797,110
22,974	656	124,312	4,054	2,703,125
(57,262)	(656)	(124,312)	(4,054)	(2,205,750)
1,308	-	-	-	(20,944)
(32,980)	-	-	-	476,431
32,980	-	-	-	-
-	-	-	-	476,431
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:				1,818
Balance Sheets - Governmental Funds:				\$ 474,613
45,000	-	-	-	54,266
45,000	-	-	-	530,697

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 40,192
Receivables	
Due from Other Governments	36,855
Deposits and Prepaid Expenses	27,917
Total Current Assets	<u>104,964</u>
Total Assets	<u>104,964</u>

LIABILITIES

Current Liabilities:

Accounts Payable	5,639
Accrued Liabilities	50,125
Total Current Liabilities	<u>55,764</u>
Total Liabilities	<u>55,764</u>

NET POSITION

Restricted	37,393
Unrestricted	11,807
Total Net Position	<u>\$ 49,200</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 430,581	1,876	250,348	-	(178,357)
Support Services:					
Students	195,521	-	-	-	(195,521)
Instruction	126,936	-	-	-	(126,936)
General Administration	62,595	-	-	-	(62,595)
School Administration	161,367	-	-	-	(161,367)
Central Services	69,179	-	-	-	(69,179)
Operation & Maintenance of Plant	35,785	-	-	-	(35,785)
Food Services	7,736	51	12,838	-	5,153
Facilities Materials, Supplies & Other Services	213,840	-	-	213,840	-
Total Governmental Activities	\$ 1,303,540	1,927	263,186	213,840	(824,587)
General Revenues:					
State Equalization Guarantee					\$ 873,787
Total General Revenues					873,787
Change in Net Position					49,200
Net Position, Beginning					-
Net Position, Ending					\$ 49,200

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Balance Sheets
Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 17,153	4,270	1,772	-
Accounts Receivable				
Due from Government	-	-	3,381	1,686
Due from Other Funds	33,405	-	-	-
Deposits and Prepaids	-	-	-	-
Total Assets	\$ 50,558	4,270	5,153	1,686
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 2,585	-	-	-
Accrued Expenditures	40,785	-	-	69
Due to Other Funds	-	-	-	1,617
Total Liabilities	43,370	-	-	1,686
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Non Spendable:				
Deposits and Prepaid Expenditures	-	-	-	-
Restricted for:				
Instruction	-	4,270	-	-
Food Service Operations	-	-	5,153	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	7,188	-	-	-
Central Services	-	-	-	-
Unassigned (Deficit)	-	-	-	-
Total Fund Balances (Deficit)	7,188	4,270	5,153	-
Total Liabilities and Fund Balances (Deficit)	\$ 50,558	4,270	5,153	1,686

The accompanying notes are an integral part of these financial statements

Daniels Fund 26141	Partners for Developing Futures 26208	Private Direct Grants 29102	McCune Charitable Foundation 29114	Public Schools Capital Outlay 31200	Special Capital Outlay - State 31400	Total
4,004	6,724	6,216	53	-	-	40,192
-	-	-	-	17,395	14,393	36,855
-	-	-	-	-	-	33,405
-	-	-	27,917	-	-	27,917
<u>4,004</u>	<u>6,724</u>	<u>6,216</u>	<u>27,970</u>	<u>17,395</u>	<u>14,393</u>	<u>138,369</u>
-	-	3,054	-	-	-	5,639
9,271	-	-	-	-	-	50,125
-	-	-	-	17,395	14,393	33,405
<u>9,271</u>	<u>-</u>	<u>3,054</u>	<u>-</u>	<u>17,395</u>	<u>14,393</u>	<u>89,169</u>
-	-	-	27,917	-	-	27,917
-	-	-	53	-	-	4,323
-	-	-	-	-	-	5,153
-	-	-	-	-	-	7,188
-	6,724	3,162	-	-	-	9,886
<u>(5,267)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,267)</u>
<u>(5,267)</u>	<u>6,724</u>	<u>3,162</u>	<u>27,970</u>	<u>-</u>	<u>-</u>	<u>49,200</u>
<u>4,004</u>	<u>6,724</u>	<u>6,216</u>	<u>27,970</u>	<u>17,395</u>	<u>14,393</u>	<u>138,369</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Reconciliation of the Balance Sheets - Governmental Funds
To Statement of Net Position
June 30, 2014**

Fund Balances - Total Governmental Funds	\$ 49,200
Net Position-Total Governmental Activities	<u>\$ 49,200</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	IDEA-B Entitlement 24106
Revenues:				
Fees	\$ 1,876	-	51	-
Local & County Grant	2,250	-	-	-
State Grant	873,787	4,270	-	-
Federal Grant	-	-	12,838	16,728
Total Revenues	877,913	4,270	12,889	16,728
Expenditures:				
Current:				
Instruction	376,584	-	-	16,728
Support Services:				
Students	192,939	-	-	-
Instruction	60,584	-	-	-
General Administration	18,432	-	-	-
School Administration	158,129	-	-	-
Central Services	38,949	-	-	-
Operation & Maintenance of Plant	25,108	-	-	-
Food Services Operations	-	-	7,736	-
Capital Outlay	-	-	-	-
Total Expenditures	870,725	-	7,736	16,728
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	7,188	4,270	5,153	-
Net Changes in Fund Balances	7,188	4,270	5,153	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances (Deficit) - End of Year	\$ 7,188	4,270	5,153	-

The accompanying notes are an integral part of these financial statements

Daniels Fund 26141	Partners for Developing Futures 26208	Private Direct Grants 29102	McCune Charitable Foundation 29114	Public Schools Capital Outlay 31200	Special Capital Outlay - State 31400	Total
-	-	-	-	-	-	1,927
100,000	60,000	22,100	45,000	-	-	229,350
-	-	-	-	81,395	132,445	1,091,897
-	-	-	-	-	-	29,566
<u>100,000</u>	<u>60,000</u>	<u>22,100</u>	<u>45,000</u>	<u>81,395</u>	<u>132,445</u>	<u>1,352,740</u>
-	13,303	10,772	13,194	-	-	430,581
775	1,807	-	-	-	-	195,521
63,350	-	2,187	815	-	-	126,936
41,142	-	-	3,021	-	-	62,595
-	3,238	-	-	-	-	161,367
-	24,251	5,979	-	-	-	69,179
-	10,677	-	-	-	-	35,785
-	-	-	-	-	-	7,736
-	-	-	-	81,395	132,445	213,840
<u>105,267</u>	<u>53,276</u>	<u>18,938</u>	<u>17,030</u>	<u>81,395</u>	<u>132,445</u>	<u>1,303,540</u>
<u>(5,267)</u>	<u>6,724</u>	<u>3,162</u>	<u>27,970</u>	<u>-</u>	<u>-</u>	<u>49,200</u>
<u>(5,267)</u>	<u>6,724</u>	<u>3,162</u>	<u>27,970</u>	<u>-</u>	<u>-</u>	<u>49,200</u>
-	-	-	-	-	-	-
<u>(5,267)</u>	<u>6,724</u>	<u>3,162</u>	<u>27,970</u>	<u>-</u>	<u>-</u>	<u>49,200</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014**

Net Change in Fund Balances-Total Governmental Funds	\$	49,200
Change in Net Position-total Governmental Activities	\$	<u>49,200</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Notes to the Financial Statements
June 30, 2014

NOTE 1. COMMITMENTS AND CONTINGENCIES

A. Leases

The Health Leadership High School (HLHS) leases facilities under a short-term cancelable operating lease. Lease expense for the year ended June 30, 2014 was \$88,000. HLHS minimum future payments on this lease are as follows:

Year Ending June 30:	
2015	\$ 143,000
2016	192,000
2017	<u>241,000</u>
Total	<u>\$ 576,000</u>

NOTE 2. RELATED PARTY TRANSACTIONS

The business manager for the school was also the business manager for Ace Leadership High School.

NOTE 3. DEFICIENT FUND BALANCE

The following fund had a deficient fund balance at June 30, 2014:

Daniels Fund 26141	\$ (5,267)
--------------------	------------

HLSA is addressing the negative fund balance and is planning to take the appropriate actions to eliminate the negative balance.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Fees	\$ -	-	1,876	1,876
Local & County Grant	-	-	2,250	2,250
State Grant	1,062,474	873,787	873,787	-
Total Revenues	<u>1,062,474</u>	<u>873,787</u>	<u>877,913</u>	<u>4,126</u>
Expenditures:				
Current:				
Instruction	416,724	381,132	361,557	19,575
Support Services:				
Students	234,761	199,681	185,519	14,162
Instruction	38,241	34,241	59,384	(25,143)
General Administration	14,500	19,935	18,432	1,503
School Administration	169,132	166,132	152,298	13,834
Central Services	38,616	38,466	37,509	957
Operation & Maintenance of Plant	135,500	34,200	22,523	11,677
Community Services Operations	15,000	-	-	-
Total Expenditures	<u>1,062,474</u>	<u>873,787</u>	<u>837,222</u>	<u>36,565</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	-	-	40,691	40,691
Net Changes in Fund Balances	-	-	40,691	40,691
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	40,691	40,691
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(33,503)	
NET CHANGE IN FUND BALANCE			<u>\$ 7,188</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Health Leadership High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	4,270	4,270
Total Revenues	<u>-</u>	<u>-</u>	<u>4,270</u>	<u>4,270</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,270</u>	<u>4,270</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,270</u>	<u>4,270</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,270</u>	<u>4,270</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 4,270</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Fees	\$ -	-	51	51
Federal Grant	-	50,000	9,457	(40,543)
Total Revenues	<u>-</u>	<u>50,000</u>	<u>9,508</u>	<u>(40,492)</u>
Expenditures:				
Food Services Operations	-	50,000	7,736	42,264
Total Expenditures	<u>-</u>	<u>50,000</u>	<u>7,736</u>	<u>42,264</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	1,772	1,772
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,772</u>	<u>1,772</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,772</u>	<u>1,772</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>3,381</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 5,153</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Health Leadership High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	16,728	15,042	(1,686)
Total Revenues	<u>-</u>	<u>16,728</u>	<u>15,042</u>	<u>(1,686)</u>
Expenditures:				
Current:				
Instruction	-	16,728	16,728	-
Total Expenditures	<u>-</u>	<u>16,728</u>	<u>16,728</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,686)</u>	<u>(1,686)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,686)</u>	<u>(1,686)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,686)</u>	<u>(1,686)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,686</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Daniels Fund 26141
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	100,000	100,000	-
Total Revenues	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	-	775	(775)
Instruction	-	58,243	59,991	(1,748)
General Administration	-	41,757	38,982	2,775
Total Expenditures	<u>-</u>	<u>100,000</u>	<u>99,748</u>	<u>252</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>252</u>	<u>252</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>252</u>	 <u>252</u>
 Cash or Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Cash or Fund Balances - End of Year	 <u>\$ -</u>	 <u>-</u>	 <u>252</u>	 <u>252</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(5,519)</u>	
 NET CHANGE IN FUND BALANCE			 <u>\$ (5,267)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Partners for Developing Futures 26208
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	60,000	60,000	-
Total Revenues	<u>-</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	20,000	13,303	6,697
Support Services:				
Students	-	2,300	1,807	493
Instruction	-	600	-	600
School Administration	-	2,000	3,238	(1,238)
Central Services	-	12,100	24,251	(12,151)
Operation & Maintenance of Plant	-	23,000	10,677	12,323
Total Expenditures	<u>-</u>	<u>60,000</u>	<u>53,276</u>	<u>6,724</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>6,724</u>	<u>6,724</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,724</u>	<u>6,724</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,724</u>	<u>6,724</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 6,724</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	22,100	22,100	-
Total Revenues	<u>-</u>	<u>22,100</u>	<u>22,100</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	13,100	10,773	2,327
Support Services:				
Instruction	-	2,500	2,187	313
Central Services	-	6,500	2,924	3,576
Total Expenditures	<u>-</u>	<u>22,100</u>	<u>15,884</u>	<u>6,216</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>6,216</u>	<u>6,216</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,216</u>	<u>6,216</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,216</u>	<u>6,216</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(3,054)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 3,162</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Health Leadership High School
 Schedule of Budgetary Comparisons - Budgetary Basis
 McCune Charitable Foundation 29114
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 15,000	45,000	45,000	-
Total Revenues	<u>15,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	15,000	26,000	13,194	12,806
Support Services:				
Instruction	-	2,000	815	1,185
General Administration	-	6,000	3,021	2,979
Central Services	-	11,000	-	11,000
Total Expenditures	<u>15,000</u>	<u>45,000</u>	<u>17,030</u>	<u>27,970</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>27,970</u>	<u>27,970</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>27,970</u>	 <u>27,970</u>
 Cash or Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Cash or Fund Balances - End of Year	 <u>\$ -</u>	 <u>-</u>	 <u>27,970</u>	 <u>27,970</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
 NET CHANGE IN FUND BALANCE			 <u>\$ 27,970</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	81,395	64,000	(17,395)
Total Revenues	<u>-</u>	<u>81,395</u>	<u>64,000</u>	<u>(17,395)</u>
Expenditures:				
Capital outlay	-	81,395	81,395	-
Total Expenditures	<u>-</u>	<u>81,395</u>	<u>81,395</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>(17,395)</u>	<u>(17,395)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(17,395)</u>	<u>(17,395)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(17,395)</u>	<u>(17,395)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>17,395</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay - State 31400
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 260,000	260,000	118,052	(141,948)
Total Revenues	<u>260,000</u>	<u>260,000</u>	<u>118,052</u>	<u>(141,948)</u>
Expenditures:				
Capital outlay	260,000	260,000	132,445	127,555
Total Expenditures	<u>260,000</u>	<u>260,000</u>	<u>132,445</u>	<u>127,555</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(14,393)</u>	<u>(14,393)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(14,393)</u>	<u>(14,393)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(14,393)</u>	<u>(14,393)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>14,393</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
N/A	N/A	N/A	N/A	\$ -
				<u>\$ -</u>
			Total Cash per Schedule of Cash Accounts	\$ 40,212
			Less: FDIC coverage:	<u>(40,212)</u>
			Uninsured public funds:	-
			Collateral requirement:	-
			Pledged collateral held by pledging financial institution:	-
			Balance (over) under collateralized:	<u>\$ -</u>
			Balance uninsured and uncollateralized at June 30, 2014:	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Health Leadership High School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>New Mexico Bank and Trust</u>
Checking Account	\$ 40,212
<i>Total on Deposit</i>	40,212
Reconciling Items	(20)
<i>Reconciled Balance June 30, 2014</i>	<u>\$ 40,192</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Health Leadership High School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Flowthrough Fund 24000
2013-14 Revenues	\$ 877,913	4,270	9,508	15,042
Total Cash Available	877,913	4,270	9,508	15,042
Less:				
2013-14 Expenditures	(837,222)	-	(7,736)	(16,728)
Receivables/Payables	9,867	-	-	69
Adjustments	-	-	-	-
Outstanding Loans	(33,405)	-	-	1,617
Cash June 30, 2014	17,153	4,270	1,772	-
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	-	-	-	-
Cash per Books	17,153	4,270	1,772	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(33,503)	-	3,381	1,686
Fund Balance, Modified Accrual Basis	\$ 7,188	4,270	5,153	-

The accompanying notes are an integral part of these financial statements

Local Grants Fund 26000	Local or State Fund 29000	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Total
160,000	67,100	64,000	118,052	1,315,885
160,000	67,100	64,000	118,052	1,315,885
(153,024)	(60,831)	(81,395)	(132,445)	(1,289,381)
3,752	-	-	-	13,688
-	-	-	-	-
-	-	17,395	14,393	-
10,728	6,269	-	-	40,192
-	-	-	-	-
10,728	6,269	-	-	40,192
(5,519)	24,863	17,395	14,393	22,696
1,457	31,132	-	-	49,200

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 500,960
Receivables	
Due from Other Governments	261,015
Total Current Assets	<u>761,975</u>

Noncurrent Assets:

Capital Assets	
Land	164,000
Building and Improvements	5,124,083
Furniture, Fixtures, and Equipment	25,140
Less: Accumulated Depreciation	(139,298)
Total Capital Assets	<u>5,173,925</u>
Restricted Cash	793,522
Total Noncurrent Assets	<u>5,967,447</u>
Total Assets	<u>6,729,422</u>

LIABILITIES

Current Liabilities

Accounts Payable	47,124
Accrued Liabilities	254,786
Accrued Interest	132,200
Compensated Absences	10,249
Current Portion of Bonds Payable	80,000
Total Current Liabilities	<u>524,359</u>

Noncurrent Liabilities

Bonds Payable	6,635,000
Total Noncurrent Assets	<u>6,635,000</u>
Total Liabilities	<u>7,159,359</u>

NET POSITION

Net Investment in Capital Assets	(766,057)
Restricted	185,973
Unrestricted	150,147
Total Net Position	<u>\$ (429,937)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,919,159	93,345	397,538	-	(1,428,276)
Support Services:					
Students	241,741	-	-	-	(241,741)
Instruction	72,499	-	-	-	(72,499)
General Administration	116,899	-	-	-	(116,899)
School Administration	217,905	-	-	-	(217,905)
Central Services	82,954	-	-	-	(82,954)
Operation & Maintenance of Plant	298,582	-	-	-	(298,582)
Other support services	-	-	-	-	-
Food Service Operations	209,452	21,062	214,899	-	26,509
Interest on long-term debt	396,600	-	-	-	(396,600)
Facilities, Materials, Supplies & Other Services	191,397	-	-	453,729	262,332
Total Governmental Activities	\$ 3,747,188	114,407	612,437	453,729	(2,566,615)
			General Revenues:		
			State Equalization Guarantee	\$ 2,581,334	
			Miscellaneous	12,815	
			Total General Revenues	<u>2,594,149</u>	
			Change in Net Position		27,534
			Net Position, Beginning		<u>(457,471)</u>
			Net Position, Ending		<u>\$ (429,937)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120
ASSETS						
Cash and Cash Equivalents	\$ 313,747	1,676	51,202	-	-	-
Restricted Cash	-	-	-	-	-	-
Accounts Receivable						
Due from Government	-	-	-	56,963	9,763	923
Due from Other Funds	229,077	-	-	-	-	-
Deposit	13,000	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 555,824</u>	<u>1,676</u>	<u>51,202</u>	<u>56,963</u>	<u>9,763</u>	<u>923</u>
LIABILITIES AND FUND BALANCES						
<i>Liabilities:</i>						
Accounts Payable	\$ 17,278	1,815	-	-	-	-
Accrued Expenditures	232,811	-	-	12,314	50	-
Due to Other Funds	-	-	-	44,649	9,713	923
Total Liabilities	<u>250,089</u>	<u>1,815</u>	<u>-</u>	<u>56,963</u>	<u>9,763</u>	<u>923</u>
<i>Fund Balances (Deficit)</i>						
Fund Balance (Deficit):						
Non Spendable:						
Deposits	13,000	-	-	-	-	-
Restricted for:						
Food Service Operations	-	-	51,202	-	-	-
Capital Improvements	-	-	-	-	-	-
Assigned to:						
Subsequent Years Expenditures and Other Programs	292,735	-	-	-	-	-
Unassigned (Deficit)	-	(139)	-	-	-	-
Total Fund Balances (Deficit)	<u>305,735</u>	<u>(139)</u>	<u>51,202</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 555,824</u>	<u>1,676</u>	<u>51,202</u>	<u>56,963</u>	<u>9,763</u>	<u>923</u>

The accompanying notes are an integral part of these financial statements

Teacher and Principal Training 24154	PNM Foundation 26123	Elementary and Middle School Initiative 26177	Pre-K Initiative 27149	Next Generation Assessments 27185	Public Schools Capital Outlay 31200	Capital Improvements SB-9 31700	Foundation	Total
-	-	-	-	-	-	111,808	22,527	500,960
-	-	-	-	-	-	-	793,522	793,522
2,006	-	-	89,801	11,404	80,192	9,963	-	261,015
-	-	-	-	-	-	-	-	229,077
-	-	-	-	-	-	-	-	13,000
<u>2,006</u>	<u>-</u>	<u>-</u>	<u>89,801</u>	<u>11,404</u>	<u>80,192</u>	<u>121,771</u>	<u>816,049</u>	<u>1,797,574</u>
-	-	-	-	-	-	-	28,031	47,124
-	-	-	9,611	-	-	-	13,000	267,786
2,006	-	-	80,190	11,404	80,192	-	-	229,077
<u>2,006</u>	<u>-</u>	<u>-</u>	<u>89,801</u>	<u>11,404</u>	<u>80,192</u>	<u>-</u>	<u>41,031</u>	<u>543,987</u>
-	-	-	-	-	-	-	-	13,000
-	-	-	-	-	-	-	-	51,202
-	-	-	-	-	-	121,771	775,018	896,789
-	-	-	-	-	-	-	-	292,735
-	-	-	-	-	-	-	-	(139)
-	-	-	-	-	-	121,771	775,018	1,253,587
<u>2,006</u>	<u>-</u>	<u>-</u>	<u>89,801</u>	<u>11,404</u>	<u>80,192</u>	<u>121,771</u>	<u>816,049</u>	<u>1,797,574</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 1,253,587**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	5,313,223	
Accumulated Depreciation	(139,298)	
	5,173,925	5,173,925
Compensated Absences	(10,249)	
Accrued Interest	(132,200)	
General Obligation Bonds	(6,715,000)	
	(6,857,449)	(6,857,449)

Net Position-Total Governmental Activities **\$ (429,937)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120
Revenues:						
Local & County Grant	\$ 42	-	-	-	-	-
State Grant	2,581,334	24,728	-	-	-	-
Federal Grant	-	-	214,899	203,145	32,721	923
Miscellaneous	-	-	-	-	-	-
Charges for Services	93,345	-	21,062	-	-	-
Total Revenues	<u>2,674,721</u>	<u>24,728</u>	<u>235,961</u>	<u>203,145</u>	<u>32,721</u>	<u>923</u>
Expenditures:						
Current:						
Instruction	1,748,967	35,646	-	-	26,789	-
Support Services:						
Students	116,078	-	-	117,511	5,932	-
Instruction	23,178	-	-	36,994	-	923
General Administration	103,897	-	-	-	-	-
School Administration	169,265	-	-	48,640	-	-
Central Services	82,954	-	-	-	-	-
Operation & Maintenance of Plant	423,899	-	-	-	-	-
Food Services Operations	-	-	209,452	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Interest	-	-	-	-	-	-
Total Expenditures	<u>2,668,238</u>	<u>35,646</u>	<u>209,452</u>	<u>203,145</u>	<u>32,721</u>	<u>923</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>6,483</u>	<u>(10,918)</u>	<u>26,509</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>6,483</u>	<u>(10,918)</u>	<u>26,509</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>299,252</u>	<u>10,779</u>	<u>24,693</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)- End of Year	<u>\$ 305,735</u>	<u>(139)</u>	<u>51,202</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Teacher and Principal Training 24154	PNM Foundation 26123	Elementary & Middle School Initiative 26177	Pre-K Initiative 27149	Next Generation Assessments 27185	Public Schools Capital Outlay 31200	Capital Improvements SB-9 31700	Foundation	Total
-	-	-	-	-	-	122,998	-	123,040
-	-	-	115,959	11,404	320,768	9,963	-	3,064,156
8,658	-	-	-	-	-	-	-	460,346
-	-	-	-	-	-	-	12,773	12,773
-	-	-	-	-	-	-	446,085	560,492
<u>8,658</u>	<u>-</u>	<u>-</u>	<u>115,959</u>	<u>11,404</u>	<u>320,768</u>	<u>132,961</u>	<u>458,858</u>	<u>4,220,807</u>
8,658	129	-	101,964	-	-	-	-	1,922,153
-	-	-	2,220	-	-	-	-	241,741
-	-	-	-	11,404	-	-	-	72,499
-	-	-	11,775	-	-	1,227	-	116,899
-	-	-	-	-	-	-	-	217,905
-	-	-	-	-	-	-	-	82,954
-	-	-	-	-	-	-	-	423,899
-	-	-	-	-	-	-	-	209,452
-	-	-	-	-	320,768	9,963	1,904,005	2,234,736
-	-	-	-	-	-	-	396,600	396,600
<u>8,658</u>	<u>129</u>	<u>-</u>	<u>115,959</u>	<u>11,404</u>	<u>320,768</u>	<u>11,190</u>	<u>2,300,605</u>	<u>5,918,838</u>
-	(129)	-	-	-	-	121,771	(1,841,747)	(1,698,031)
-	(129)	-	-	-	-	121,771	(1,841,747)	(1,698,031)
-	129	-	-	-	-	-	2,616,765	2,951,618
-	-	-	-	-	-	121,771	775,018	1,253,587

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (1,698,031)**

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

Change in Compensated Absences 6,430

Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays	1,839,292	
Depreciation Expense	(120,157)	
	1,719,135	1,719,135

Change in Net Position-total Governmental Activities **\$ 27,534**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 31,713</u>
Total Assets	<u><u>\$ 31,713</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 31,713</u>
Total Liabilities	<u><u>\$ 31,713</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 34,069	24,730	27,086	31,713
Total Assets	<u>\$ 34,069</u>	<u>24,730</u>	<u>27,086</u>	<u>31,713</u>
LIABILITIES				
Deposits Held for Others	\$ 34,069	24,730	27,086	31,713
Total Liabilities	<u>\$ 34,069</u>	<u>24,730</u>	<u>27,086</u>	<u>31,713</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Horizon Academy West’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Horizon Academy West does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Horizon Academy West utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	40 years

Capital assets for the Horizon West Academy are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets not being Depreciated:</i>				
Land	\$ 164,000	-	-	164,000
Construction in Progress	2,605,230	-	(2,605,230)	-
<i>Total</i>	<u>2,769,230</u>	<u>-</u>	<u>(2,605,230)</u>	<u>164,000</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	44,225	-	(19,085)	25,140
Building and Improvements	679,561	4,444,522	-	5,124,083
<i>Total</i>	<u>723,786</u>	<u>4,444,522</u>	<u>(19,085)</u>	<u>5,149,223</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(25,484)	(3,436)	19,085	(9,835)
Building and improvements	(12,742)	(116,721)	-	(129,463)
<i>Total</i>	<u>(38,226)</u>	<u>(120,157)</u>	<u>19,085</u>	<u>(139,298)</u>
Capital Assets, Net	<u>\$ 3,454,790</u>	<u>4,324,365</u>	<u>(2,605,230)</u>	<u>5,173,925</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 3,436
Facilities, Materials, Supplies & Other Services	116,721
Total	<u>\$ 120,157</u>

NOTE 3. COMMITMENTS AND LIABILITIES

The Horizon Academy West leased equipment and facilities under long-term cancelable operating leases. Rental expenses for the year ended June 30, 2014 was \$476,434. The Horizon Academy West's minimum future payments on this lease are as follows:

Year Ending June 30:	
2015	\$ 492,910
2016	516,317
2017	522,745
2018	523,096
2019	523,158
2020- 2024	2,625,136
2025- 2029	2,620,090
2030- 2034	2,625,040
2035- 2039	2,623,170
2040- 2044	2,626,470
2045- 2049	646,874
Total	<u>\$ 16,345,006</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

Revenue Bonds are secured by pledges of certain revenues and assets. On October 1, 2012, Horizon Academy West, pursuant to a lease purchase agreement with Horizon Academy Foundation and indenture of trust, issued its Educational Facility Revenue Bonds Series 2012 in the aggregate principal amount of \$6,715,000. Bond proceeds were used to acquire, renovate and equip a 40,000 square foot charter school facility that will house classrooms from kindergarten through sixth grade. The Horizon Academy West pledges, transfers, and grants a security interest in and assigns to Wells Fargo Bank, N.A. to secure the payment of lease payments in accordance with the terms and provisions of the lease, all funds, monies, grants, or other distributions received by the School from the State of New Mexico with respect to Equalization Guarantee funding, State Leasing or account established by the Horizon Academy West, but specifically excluding State funding under the Charter School Act which is specifically dedicated to the payment of expenses of the Charter School which do not include payment of amounts due under the Lease and all such operating expenses of the Horizon Academy West required under State or federal laws to provide required educational program expenditures.

The total bond payable as of June 30, 2014 is as follows:

Series 2012 Education Facility Revenue Bond; Interest rate 5.25% due in quarterly installments; Maturing September 1, 2022	\$	840,000
Series 2012 Education Facility Revenue Bond; Interest rate 6% due in quarterly installments; Maturing September 1, 2045		<u>5,875,000</u>
Total Bond Payable	\$	<u>6,715,000</u>

The aggregate amounts of principal maturities and interest of bonds payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 80,000	396,600	476,600
2016	50,000	392,400	442,400
2017	85,000	389,775	474,775
2018	90,000	385,312	475,312
2019	95,000	380,587	475,587
2020-2024	565,000	1,822,087	2,387,087
2025-2029	740,000	1,641,300	2,381,300
2030-2034	995,000	1,391,100	2,386,100
2035-2039	1,330,000	1,054,500	2,384,500
2040-2044	1,780,000	604,500	2,384,500
2045-2046	905,000	83,100	988,100
Total	<u>\$ 6,715,000</u>	<u>8,541,261</u>	<u>15,256,261</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND LIABILITIES (CONTINUED)

The Horizon Academy West had a compensated absences balance of \$16,679 at the beginning of the fiscal year. Decreases to the balance were \$6,430 which resulted in an ending balance of \$10,249. All of this balance is considered to be current.

NOTE 4. DEFICIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2014:

Instructional Materials - 14000	\$	139
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The Horizon Academy West is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate the negative balance.

NOTE 5. RELATED PARTY TRANSACTIONS

The Horizon Academy West created a Foundation to construct a school. The Foundation is considered a component unit of the Horizon Academy West and is presented as a blended component unit. In addition, the business manager services are performed by Aptability, which performed services for multiple state charter schools.

The accounting services for the Foundation were performed by Accounting and Consulting Group. A member of the Accounting and Consulting Group engagement team is an immediate family member of the Foundation's Treasurer. During fiscal year 2014, accounting service fees totaled \$8,568.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	42	42
State Grant	2,675,631	2,581,334	2,581,334	-
Miscellaneous	-	16,877	16,877	-
Charges for Services	93,240	93,240	93,345	105
Total Revenues	<u>2,768,871</u>	<u>2,691,451</u>	<u>2,691,598</u>	<u>147</u>
Expenditures:				
Current:				
Instruction	1,821,644	1,826,074	1,744,110	81,964
Support Services:				
Students	199,545	209,898	115,557	94,341
Instruction	73,520	38,524	17,102	21,422
General Administration	98,482	101,916	101,916	-
School Administration	174,197	176,607	171,233	5,374
Central Services	75,406	75,406	75,406	-
Operation & Maintenance of Plant	396,276	501,700	438,638	63,062
Other Support Services	138,000	43,703	-	43,703
Total Expenditures	<u>2,977,070</u>	<u>2,973,828</u>	<u>2,663,962</u>	<u>309,866</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(208,199)</u>	<u>(282,377)</u>	<u>27,636</u>	<u>310,013</u>
Other Financing Sources (Uses):				
Designated Cash	208,199	282,377	-	(282,377)
Total Other Financing Sources (Uses):	<u>208,199</u>	<u>282,377</u>	<u>-</u>	<u>(282,377)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>27,636</u>	<u>27,636</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>299,252</u>	<u>299,252</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>326,888</u>	<u>326,888</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(16,877)	
Adjustments to Expenditures			(4,276)	
NET CHANGE IN FUND BALANCE			<u>\$ 6,483</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 23,419	28,295	29,604	1,309
Total Revenues	<u>23,419</u>	<u>28,295</u>	<u>29,604</u>	<u>1,309</u>
Expenditures:				
Current:				
Instruction	33,972	34,198	33,832	366
Total Expenditures	<u>33,972</u>	<u>34,198</u>	<u>33,832</u>	<u>366</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(10,553)</u>	<u>(5,903)</u>	<u>(4,228)</u>	<u>1,675</u>
Other Financing Sources (Uses):				
Designated Cash	5,904	5,903	-	(5,903)
Total Other Financing Sources (Uses):	<u>5,904</u>	<u>5,903</u>	<u>-</u>	<u>(5,903)</u>
Net Changes in Fund Balances	<u>(4,649)</u>	<u>-</u>	<u>(4,228)</u>	<u>(4,228)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,904</u>	<u>5,904</u>
Cash or Fund Balances - End of Year	<u>\$ (4,649)</u>	<u>-</u>	<u>1,676</u>	<u>1,676</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,876)	
Adjustments to Expenditures			<u>(1,814)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (10,918)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 220,000	220,000	214,899	(5,101)
Charges for Services	26,500	26,500	21,062	(5,438)
Total Revenues	<u>246,500</u>	<u>246,500</u>	<u>235,961</u>	<u>(10,539)</u>
Expenditures:				
Current:				
Food Services Operations	246,500	271,193	209,452	61,741
Total Expenditures	<u>246,500</u>	<u>271,193</u>	<u>209,452</u>	<u>61,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(24,693)</u>	<u>26,509</u>	<u>51,202</u>
Other Financing Sources (Uses):				
Designated Cash	-	24,693	-	(24,693)
Total Other Financing Sources (Uses):	<u>-</u>	<u>24,693</u>	<u>-</u>	<u>(24,693)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>26,509</u>	<u>26,509</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>24,693</u>	<u>24,693</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>51,202</u>	<u>51,202</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 26,509</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 160,183	205,181	195,277	(9,904)
Total Revenues	<u>160,183</u>	<u>205,181</u>	<u>195,277</u>	<u>(9,904)</u>
Expenditures:				
Current:				
Support Services:				
Students	70,837	115,835	115,835	-
Instruction	35,979	35,979	35,979	-
School Administration	53,367	53,367	51,331	2,036
Total Expenditures	<u>160,183</u>	<u>205,181</u>	<u>203,145</u>	<u>2,036</u>
Deficiency of Revenues				
Under Expenditures	-	-	(7,868)	(7,868)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,868)</u>	<u>(7,868)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(49,095)</u>	<u>(49,095)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(56,963)</u>	<u>(56,963)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			7,868	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 85,338	116,842	44,502	(72,340)
Total Revenues	<u>85,338</u>	<u>116,842</u>	<u>44,502</u>	<u>(72,340)</u>
Expenditures:				
Current:				
Instruction	75,043	101,547	26,789	74,758
Support Services:				
Students	10,295	15,295	5,932	9,363
Total Expenditures	<u>85,338</u>	<u>116,842</u>	<u>32,721</u>	<u>84,121</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>11,781</u>	<u>11,781</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,781</u>	<u>11,781</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(21,544)</u>	<u>(21,544)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(9,763)</u>	<u>(9,763)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(11,781)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	923	604	(319)
Total Revenues	<u>-</u>	<u>923</u>	<u>604</u>	<u>(319)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	923	923	-
Total Expenditures	<u>-</u>	<u>923</u>	<u>923</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(319)	(319)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(319)</u>	<u>(319)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(604)</u>	<u>(604)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(923)</u>	<u>(923)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			319	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and Principal Training 24154
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 17,200	17,200	9,666	(7,534)
Total Revenues	<u>17,200</u>	<u>17,200</u>	<u>9,666</u>	<u>(7,534)</u>
Expenditures:				
Current:				
Instruction	17,200	17,200	8,658	8,542
Total Expenditures	<u>17,200</u>	<u>17,200</u>	<u>8,658</u>	<u>8,542</u>
Excess of Revenues				
Over Expenditures	-	-	1,008	1,008
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,008</u>	<u>1,008</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(3,014)</u>	<u>(3,014)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,006)</u>	<u>(2,006)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,008)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
PNM Foundation 26123
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Miscellaneous	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	129	129	-
Total Expenditures	<u>-</u>	<u>129</u>	<u>129</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	(129)	(129)	-
Other Financing Sources (Uses):				
Designated Cash	-	129	-	(129)
Total Other Financing Sources (Uses):	<u>-</u>	<u>129</u>	<u>-</u>	<u>(129)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(129)</u>	<u>(129)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>129</u>	<u>129</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (129)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Elementary & Middle School Initiative 26177
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 4,000	-	4,000	4,000
Total Revenues	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Expenditures:				
Current:				
Instruction	4,000	-	-	-
Total Expenditures	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(4,000)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 120,000	120,000	79,556	(40,444)
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>79,556</u>	<u>(40,444)</u>
Expenditures:				
Current:				
Instruction	105,645	102,311	101,964	347
Support Services:				
Students	-	3,334	2,220	1,114
Instruction	2,500	2,500	-	2,500
General Administration	11,855	11,855	11,775	80
Total Expenditures	<u>120,000</u>	<u>120,000</u>	<u>115,959</u>	<u>4,041</u>
<i>Deficiency of Revenues</i>				
<i>Under Expenditures</i>	<u>-</u>	<u>-</u>	<u>(36,403)</u>	<u>(36,403)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(36,403)</u>	<u>(36,403)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(53,398)</u>	<u>(53,398)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(89,801)</u>	<u>(89,801)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>36,403</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	11,547	-	(11,547)
Total Revenues	<u>-</u>	<u>11,547</u>	<u>-</u>	<u>(11,547)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	11,547	11,404	143
Total Expenditures	<u>-</u>	<u>11,547</u>	<u>11,404</u>	<u>143</u>
Deficiency of Revenues Under Expenditures	-	-	(11,404)	(11,404)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,404)</u>	<u>(11,404)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,404)</u>	<u>(11,404)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			11,404	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	320,768	398,429	77,661
Total Revenues	<u>-</u>	<u>320,768</u>	<u>398,429</u>	<u>77,661</u>
Expenditures:				
Capital Outlay	-	320,768	320,768	-
Total Expenditures	<u>-</u>	<u>320,768</u>	<u>320,768</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	77,661	77,661
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>77,661</u>	<u>77,661</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(157,853)</u>	<u>(157,853)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(80,192)</u>	<u>(80,192)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(77,661)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 128,885	128,885	122,998	(5,887)
State Grant	9,963	20,001	-	(20,001)
Total Revenues	<u>138,848</u>	<u>148,886</u>	<u>122,998</u>	<u>(25,888)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	1,289	1,289	1,227	62
Capital Outlay	137,559	147,597	9,963	137,634
Total Expenditures	<u>138,848</u>	<u>148,886</u>	<u>11,190</u>	<u>137,696</u>
<i>Excess of Revenues</i>			111,808	111,808
<i>Over Expenditures</i>	-	-		
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>111,808</u>	<u>111,808</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>111,808</u>	<u>111,808</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>9,963</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 121,771</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
NM Bank & Trust	SCH DIST ND 2 GO SCH BLDG BDS	077581LH7	8/1/2014	\$ 200,404
				<u>\$ 200,404</u>

Total Cash per Schedule of Cash Accounts (Excluding Foundation):	\$ 572,926
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	322,926
Collateral Requirement:	161,463
Pledged Collateral Held by Pledging Financial Institution:	<u>200,404</u>
Balance Over Collateralized:	<u>38,941</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ 122,522</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Schedule of Cash Accounts
June 30, 2014

Bank Account Type	NM Bank & Trust	Wells Fargo	Total
Checking - Operational Account	\$ 541,154	-	541,154
Checking - Student Activity Fund	31,772	-	31,772
Checking - Foundation	22,538	-	22,538
Money Market - Project Fund	-	70,986	70,986
Money Market - Reserve Fund	-	479,850	479,850
Money Market - Bond Interest Fund	-	132,298	132,298
Money Market - Bond Revenue Fund	-	4,005	4,005
Money Market - Bond Principal Fund	-	66,669	66,669
Money Market - Capital Reserve Account	-	39,714	39,714
	595,464	793,522	1,388,986
Total on Deposit	595,464	793,522	1,388,986
Reconciling Items	(62,791)	-	(62,791)
	(62,791)	-	(62,791)
Reconciled Balance June 30, 2014	\$ 532,673	793,522	1,326,195
	532,673	793,522	1,326,195
Less: Agency Funds			(31,713)
			(31,713)
Total Cash and Restricted Cash			\$ 1,294,482
			\$ 1,294,482

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Horizon Academy West
Cash Reconciliation
June 30, 2014

	<u>Operational</u> <u>11000</u>	<u>Instructional</u> <u>Materials</u> <u>14000</u>	<u>Food</u> <u>Services</u> <u>21000</u>	<u>Activity</u> <u>Account</u> <u>23000</u>
Cash, June 30, 2013	\$ 282,377	5,904	24,693	34,069
Add:				
2013-14 Revenues	<u>2,691,598</u>	<u>29,604</u>	<u>235,961</u>	<u>24,730</u>
Total Cash Available	2,973,975	35,508	260,654	58,799
Less:				
2013-14 Expenditures	(2,663,962)	(33,832)	(209,452)	(27,086)
Receivables/Payables	232,811	-	-	-
Outstanding Loans	<u>(229,077)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>313,747</u>	<u>1,676</u>	<u>51,202</u>	<u>31,713</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	-	-	-	-
Cash Per Books	<u>313,747</u>	<u>1,676</u>	<u>51,202</u>	<u>31,713</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(4,278)	(1,815)	-	(31,713)
Fund Balance, Modified Accrual Basis	<u>\$ 305,735</u>	<u>(139)</u>	<u>51,202</u>	<u>-</u>

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

The accompanying notes are an integral part of these financial statements

Federal Flowthrough Fund 24000	Local Grants Fund 26000	State Flow- Through Fund 27000	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
(74,257)	(3,871)	(53,398)	(157,853)	-	57,664
<u>250,049</u>	<u>4,000</u>	<u>79,556</u>	<u>398,429</u>	<u>122,998</u>	<u>3,836,925</u>
175,792	129	26,158	240,576	122,998	3,894,589
(245,447)	(129)	(127,363)	(320,768)	(11,190)	(3,639,229)
12,364	-	9,611	-	-	254,786
<u>57,291</u>	<u>-</u>	<u>91,594</u>	<u>80,192</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,808</u>	<u>510,146</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>111,808</u>	<u>510,146</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:					(31,713)
* Foundation:					22,527
Balance Sheets - Governmental Funds:					<u>\$ 500,960</u>
<u>69,655</u>	<u>-</u>	<u>101,205</u>	<u>80,192</u>	<u>9,963</u>	<u>223,209</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,771</u>	<u>478,569</u>
* Foundation:					<u>775,018</u>
Balance Sheets - Governmental Funds:					<u>\$ 1,253,587</u>

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME VI



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$	300,778
Receivables		
Due from Other Governments		131,948
Total Current Assets		<u>432,726</u>

Noncurrent Assets:

Capital Assets		
Building and Improvements		117,836
Furniture, Fixtures, and Equipment		66,946
Less: Accumulated Depreciation		(56,722)
Total Noncurrent Assets		<u>128,060</u>
Total Assets		<u>560,786</u>

LIABILITIES

Current Liabilities:

Accounts Payable		46,760
Accrued Liabilities		158,823
Total Current Liabilities		<u>205,583</u>
Total Liabilities		<u>205,583</u>

NET POSITION

Net Investment in Capital Assets		128,060
Restricted		88,086
Unrestricted		139,057
Total Net Position	\$	<u>355,203</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,391,014	-	248,936	-	(1,142,078)
Support Services:					
Students	103,586	-	-	-	(103,586)
Instruction	15,906	-	28,125	-	12,219
General Administration	62,178	165	-	-	(62,013)
School Administration	245,431	-	7,014	-	(238,417)
Central Services	102,312	-	-	-	(102,312)
Operation & Maintenance of Plant	136,331	-	-	-	(136,331)
Community Services Operations	690	-	-	-	(690)
Food Services	59,228	18,035	51,741	-	10,548
Facilities Materials, Supplies & Other Services	223,774	-	-	211,032	(12,742)
Total Governmental Activities	\$ 2,340,450	18,200	335,816	211,032	(1,775,402)
			General Revenues:		
			State Equalization Guarantee	\$ 1,798,978	
			Property Taxes	72,081	
			Total general revenues	<u>1,871,059</u>	
			Change in Net Position		95,657
			Net position, Beginning		<u>259,546</u>
			Net position, Ending	\$	<u>355,203</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 206,053	11,823	3,691	159	-
Accounts Receivable					
Due from Government	-	-	-	3,340	9,144
Due from Other Funds	131,948	-	-	-	-
Total Assets	\$ 338,001	11,823	3,691	3,499	9,144
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 40,296	-	-	-	-
Accrued Expenses	158,648	-	-	159	-
Due to Other Funds	-	-	-	3,340	9,144
Total Liabilities	198,944	-	-	3,499	9,144
<i>Fund Balances</i>					
Fund Balance:					
Restricted for:					
Instruction	-	11,823	-	-	-
Food Service Operations	-	-	3,691	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	139,057	-	-	-	-
Total Fund Balance	139,057	11,823	3,691	-	-
Total Liabilities and Fund Balance	\$ 338,001	11,823	3,691	3,499	9,144

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Elementary & Middle School Initiative 26177	2012 SB-66 Student Library 27107	New Mexico Reads 27114	New Mexico Grown FVV 27183	Next Generation Assessments 27185	Private Dir Grants (Categorical) 29102
-	16	-	-	-	-	35,396
7,014	6,587	678	2,000	591	5,106	-
-	-	-	-	-	-	-
<u>7,014</u>	<u>6,603</u>	<u>678</u>	<u>2,000</u>	<u>591</u>	<u>5,106</u>	<u>35,396</u>
-	-	-	-	-	-	6,464
-	16	-	-	-	-	-
7,014	6,587	678	2,000	591	5,106	-
<u>7,014</u>	<u>6,603</u>	<u>678</u>	<u>2,000</u>	<u>591</u>	<u>5,106</u>	<u>6,464</u>
-	-	-	-	-	-	28,932
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	28,932
<u>7,014</u>	<u>6,603</u>	<u>678</u>	<u>2,000</u>	<u>591</u>	<u>5,106</u>	<u>35,396</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
ASSETS			
<i>Assets</i>			
Cash and Cash Equivalents	\$ -	43,640	300,778
Accounts Receivable			
Due from Government	97,488	-	131,948
Due from Other Funds	-	-	131,948
Total Assets	<u>\$ 97,488</u>	<u>43,640</u>	<u>564,674</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ -	-	46,760
Accrued Expenses	-	-	158,823
Due to Other Funds	97,488	-	131,948
Total Liabilities	<u>97,488</u>	<u>-</u>	<u>337,531</u>
<i>Fund Balances</i>			
Fund Balance:			
Restricted for:			
Instruction	-	-	40,755
Food Service Operations	-	-	3,691
Capital Improvements	-	43,640	43,640
Assigned to:			
Subsequent Years Expenditures and Other Programs	-	-	139,057
Total Fund Balance	<u>-</u>	<u>43,640</u>	<u>227,143</u>
Total Liabilities and Fund Balance	<u>\$ 97,488</u>	<u>43,640</u>	<u>564,674</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 THE INTERNATIONAL SCHOOL AT MESA DEL SOL
 Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 227,143**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	184,782	
Accumulated Depreciation	<u>(56,722)</u>	
		<u>128,060</u>

Net Position-Total Governmental Activities **\$ 355,203**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	183,647	-	-	-	-
State Grant	1,798,978	18,383	-	-	-
Federal Grant	3,623	-	51,150	14,978	25,591
Charges for services	165	-	18,035	-	-
Total Revenues	1,986,413	18,383	69,185	14,978	25,591
Expenditures:					
Current:					
Instruction	1,325,896	16,773	-	14,978	-
Support Services:					
Students	77,995	-	-	-	25,591
Instruction	9,934	-	-	-	-
General Administration	61,457	-	-	-	-
School Administration	239,429	-	-	-	-
Central Services	102,094	-	-	-	-
Operation & Maintenance of Plant	133,309	-	-	-	-
Other Support Services Operations	690	-	-	-	-
Food Services Operations	-	-	58,637	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	1,950,804	16,773	58,637	14,978	25,591
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>35,609</u>	<u>1,610</u>	<u>10,548</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>35,609</u>	<u>1,610</u>	<u>10,548</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)- Beginning of Year	<u>103,448</u>	<u>10,213</u>	<u>(6,857)</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 139,057</u>	<u>11,823</u>	<u>3,691</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Elementary & Middle School Initiative 26177	2012 SB-66 Student Library 27107	New Mexico Reads 27114	New Mexico Grown FVV 27183	Next Generation Assessments 27185	Private Dir Grants (Categorical) 29102
-	-	-	-	-	-	-
-	10,586	-	-	-	-	27,447
-	-	678	2,000	591	5,106	-
7,014	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,014</u>	<u>10,586</u>	<u>678</u>	<u>2,000</u>	<u>591</u>	<u>5,106</u>	<u>27,447</u>
7,014	10,586	-	2,000	-	-	11,305
-	-	-	-	-	-	-
-	-	678	-	-	5,106	188
-	-	-	-	-	-	-
-	-	-	-	-	-	218
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	591	-	-
-	-	-	-	-	-	-
<u>7,014</u>	<u>10,586</u>	<u>678</u>	<u>2,000</u>	<u>591</u>	<u>5,106</u>	<u>11,711</u>
-	-	-	-	-	-	15,736
-	-	-	-	-	-	15,736
-	-	-	-	-	-	13,196
-	-	-	-	-	-	28,932

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds (Continued)
For The Year Ended June 30, 2014

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
Revenues:			
Property Taxes	\$ -	72,081	72,081
Local & County Grant	-	-	221,680
State Grant	194,977	1,077	2,021,790
Federal Grant	-	-	102,356
Charges for services	-	-	18,200
Total Revenues	194,977	73,158	2,436,107
Expenditures:			
Current:			
Instruction	-	-	1,388,552
Support Services:			
Students	-	-	103,586
Instruction	-	-	15,906
General Administration	-	721	62,178
School Administration	-	-	239,429
Central Services	-	-	102,312
Operation & Maintenance of Plant	-	-	133,309
Other Support Services Operations	-	-	690
Food Services Operations	-	-	59,228
Capital Outlay	194,977	28,797	223,774
Total Expenditures	194,977	29,518	2,328,964
<i>Excess (Deficiency) of Revenues</i>			
<i>Over (Under) Expenditures</i>	-	43,640	107,143
Net Changes in Fund Balances	-	43,640	107,143
Fund Balances (Deficit) - Beginning of Year	-	-	120,000
Fund Balances - End of Year	\$ -	43,640	227,143

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 107,143**

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

Capital Outlays to purchase or build capital assets are reported in
governmental funds as expenditures. However, for governmental
activities those costs are shown in the Statement of Net Position and
allocated over their estimated useful lives as annual depreciation
expenses in the Statement of Activities. This is the amount by which
capital outlay exceeds depreciation for the period

Depreciation Expense	(11,486)	
		(11,486)

Change in Net Position-Total Governmental Activities **\$ 95,657**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Statement of Fiduciary Assets and Liabilities- Agency Fund
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 7,299</u>
Total Assets	<u><u>\$ 7,299</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 7,299</u>
Total Liabilities	<u><u>\$ 7,299</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 4,980	21,036	18,717	7,299
Total Assets	<u>\$ 4,980</u>	<u>21,036</u>	<u>18,717</u>	<u>7,299</u>
LIABILITIES				
Deposits Held for Others	\$ 4,980	21,036	18,717	7,299
Total Liabilities	<u>\$ 4,980</u>	<u>21,036</u>	<u>18,717</u>	<u>7,299</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The International School at Mesa Del Sol's (ISMDS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The ISMDS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The ISMDS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	10 years
Buildings and Improvements	40 years

Capital assets for the ISMDS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 66,946	-	-	66,946
Buildings and Improvements	117,836	-	-	117,836
<i>Total</i>	<u>184,782</u>	<u>-</u>	<u>-</u>	<u>184,782</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(33,151)	(8,464)	-	(41,615)
Buildings and Improvements	(12,085)	(3,022)	-	(15,107)
<i>Total</i>	<u>(45,236)</u>	<u>(11,486)</u>	<u>-</u>	<u>(56,722)</u>
Net Capital Assets	<u>\$ 139,546</u>	<u>(11,486)</u>	<u>-</u>	<u>128,060</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 2,462
School Administration	6,002
Operations/Plant Maintenance	3,022
Total	<u>\$ 11,486</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The ISMDS leased various facilities and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$195,972. The ISMDS's minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 233,665
2016	232,642
2017	232,642
2018	1,095
Total:	<u>\$ 700,044</u>

NOTE 4. RELATED PARTIES

The Business Manager is also the Business Manager for Horizon Academy West.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	183,207	191,941	8,734
State Grant	1,977,041	1,798,982	1,798,978	(4)
Federal Grant	-	6,477	3,623	(2,854)
Charges for Services	-	-	165	165
Total Revenues	1,977,041	1,988,666	1,994,707	6,041
Expenditures:				
Current:				
Instruction	1,368,692	1,428,613	1,325,896	102,717
Support Services:				
Students	51,465	96,215	69,083	27,132
Instruction	51,645	10,537	9,934	603
General Administration	31,909	53,907	45,221	8,686
School Administration	280,641	244,874	239,397	5,477
Central Services	71,157	105,325	97,957	7,368
Operation & Maintenance of Plant	128,009	143,659	122,326	21,333
Other Support Services Operations	-	690	690	-
Total Expenditures	1,983,518	2,083,820	1,910,504	173,316
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(6,477)	(95,154)	84,203	179,357
Other Financing Sources (Uses):				
Designated Cash	6,477	95,154	-	(95,154)
Total Other Financing Sources (Uses):	6,477	95,154	-	(95,154)
Net Changes in Fund Balances	-	-	84,203	84,203
Cash or Fund Balances - Beginning of Year	-	-	103,448	103,448
Cash or Fund Balances - End of Year	\$ -	-	187,651	187,651
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(8,294)	
Adjustments to Expenditures			(40,300)	
NET CHANGE IN FUND BALANCE			\$ 35,609	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 13,955	22,741	27,169	4,428
Total Revenues	<u>13,955</u>	<u>22,741</u>	<u>27,169</u>	<u>4,428</u>
Expenditures:				
Current:				
Instruction	13,955	24,168	16,773	7,395
Total Expenditures	<u>13,955</u>	<u>24,168</u>	<u>16,773</u>	<u>7,395</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,427)</u>	<u>10,396</u>	<u>11,823</u>
Other financing sources (uses):				
Designated Cash	-	1,427	-	(1,427)
Total other financing sources (uses):	<u>-</u>	<u>1,427</u>	<u>-</u>	<u>(1,427)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>10,396</u>	<u>10,396</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,213</u>	<u>10,213</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>20,609</u>	<u>20,609</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(8,786)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,610</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 49,000	49,000	56,197	7,197
Charges for Services	26,000	26,000	18,710	(7,290)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>74,907</u>	<u>(93)</u>
Expenditures:				
Current:				
Food Services Operations	75,000	75,000	58,637	16,363
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>58,637</u>	<u>16,363</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	16,270	16,270
Net Changes in Fund Balances	-	-	16,270	16,270
Cash or Fund Balances - Beginning of Year	-	-	(6,857)	(6,857)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>9,413</u>	<u>9,413</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(5,722)	
NET CHANGE IN FUND BALANCE			<u>\$ 10,548</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 28,535	36,044	32,030	(4,014)
Total Revenues	<u>28,535</u>	<u>36,044</u>	<u>32,030</u>	<u>(4,014)</u>
Expenditures:				
Current:				
Instruction	28,535	36,044	14,978	21,066
Total Expenditures	<u>28,535</u>	<u>36,044</u>	<u>14,978</u>	<u>21,066</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>17,052</u>	<u>17,052</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>17,052</u>	<u>17,052</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,052</u>	<u>17,052</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(17,052)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	38,249	23,849	(14,400)
Total Revenues	<u>-</u>	<u>38,249</u>	<u>23,849</u>	<u>(14,400)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	38,249	25,591	12,658
Total Expenditures	<u>-</u>	<u>38,249</u>	<u>25,591</u>	<u>12,658</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(1,742)</u>	<u>(1,742)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,742)</u>	<u>(1,742)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,742)</u>	<u>(1,742)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			<u>1,742</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 7,532	11,185	-	(11,185)
Total Revenues	<u>7,532</u>	<u>11,185</u>	<u>-</u>	<u>(11,185)</u>
Expenditures:				
Current:				
Instruction	7,532	11,185	7,014	4,171
Total Expenditures	<u>7,532</u>	<u>11,185</u>	<u>7,014</u>	<u>4,171</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(7,014)</u>	<u>(7,014)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,014)</u>	<u>(7,014)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,014)</u>	<u>(7,014)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>7,014</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Elementary & Middle School Initiative 26177
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	10,667	3,999	(6,668)
Total Revenues	<u>-</u>	<u>10,667</u>	<u>3,999</u>	<u>(6,668)</u>
Expenditures:				
Current:				
Instruction	-	10,667	10,586	81
Total Expenditures	<u>-</u>	<u>10,667</u>	<u>10,586</u>	<u>81</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(6,587)</u>	<u>(6,587)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,587)</u>	<u>(6,587)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,587)</u>	<u>(6,587)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>6,587</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
2010 SB-66 Student Library 27107
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,248	3,248	-	(3,248)
Total Revenues	<u>3,248</u>	<u>3,248</u>	<u>-</u>	<u>(3,248)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,248	3,248	678	2,570
Total Expenditures	<u>3,248</u>	<u>3,248</u>	<u>678</u>	<u>2,570</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(678)</u>	<u>(678)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(678)</u>	<u>(678)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(678)</u>	<u>(678)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			678	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	2,000	-	(2,000)
Total Revenues	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Expenditures:				
Current:				
Instruction	-	2,000	2,000	-
Total Expenditures	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,000	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Grown FVV 27183
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	591	-	(591)
Total Revenues	<u>-</u>	<u>591</u>	<u>-</u>	<u>(591)</u>
Expenditures:				
Current:				
Food Services Operations	-	591	591	-
Total Expenditures	<u>-</u>	<u>591</u>	<u>591</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>591</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	5,106	-	(5,106)
Total Revenues	<u>-</u>	<u>5,106</u>	<u>-</u>	<u>(5,106)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	5,106	5,106	-
Total Expenditures	<u>-</u>	<u>5,106</u>	<u>5,106</u>	<u>-</u>
<i>Deficiency of Revenues Under Expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,106)</u>	<u>(5,106)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,106)</u>	<u>(5,106)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,106)</u>	<u>(5,106)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>5,106</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 10,000	10,000	27,447	17,447
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>27,447</u>	<u>17,447</u>
Expenditures:				
Current:				
Instruction	18,544	21,252	4,841	16,411
Support Services:				
Instruction	-	188	188	-
General Administration	600	-	-	-
School Administration	880	80	-	80
Central Services	2,700	1,676	218	1,458
Total Expenditures	<u>22,724</u>	<u>23,196</u>	<u>5,247</u>	<u>17,949</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(12,724)</u>	<u>(13,196)</u>	<u>22,200</u>	<u>35,396</u>
Other Financing Sources (Uses):				
Designated Cash	12,724	13,196	-	(13,196)
Total Other Financing Sources (Uses):	<u>12,724</u>	<u>13,196</u>	<u>-</u>	<u>(13,196)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>22,200</u>	<u>22,200</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>13,196</u>	<u>13,196</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>35,396</u>	<u>35,396</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(6,464)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 15,736</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	194,977	130,398	(64,579)
Total Revenues	<u>-</u>	<u>194,977</u>	<u>130,398</u>	<u>(64,579)</u>
Expenditures:				
Capital Outlay	-	194,977	194,977	-
Total Expenditures	<u>-</u>	<u>194,977</u>	<u>194,977</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(64,579)	(64,579)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(64,579)</u>	<u>(64,579)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(64,579)</u>	<u>(64,579)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			64,579	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 76,159	76,159	72,081	(4,078)
State Grant	-	6,861	6,686	(175)
Total Revenues	<u>76,159</u>	<u>83,020</u>	<u>78,767</u>	<u>(4,253)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	762	762	721	41
Capital Outlay	75,397	82,258	28,797	53,461
Total Expenditures	<u>76,159</u>	<u>83,020</u>	<u>29,518</u>	<u>53,502</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>49,249</u>	<u>49,249</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>49,249</u>	<u>49,249</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>49,249</u>	<u>49,249</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(5,609)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 43,640</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	351,535
Less: FDIC Coverage:		<u>(250,000)</u>
Uninsured Public Funds:		101,535
Collateral Requirement:		50,768
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Under Collateralized:	\$	<u>50,768</u>
Balance uninsured and uncollateralized at June 30, 2014:	\$	<u>101,535</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>New Mexico Bank & Trust</u>
Checking - Operational Account	<u>\$ 351,535</u>
Total on Deposit	351,535
Reconciling Items	<u>(43,508)</u>
Reconciled Balance June 30, 2014	<u>308,027</u>
Less Agency Funds	<u>(7,299)</u>
Petty cash	<u>50</u>
Total Cash	<u><u>\$ 300,778</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE INTERNATIONAL SCHOOL AT MESA DEL SOL
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Agency Fund 23000
Cash, June 30, 2013	\$ 103,448	10,213	(6,857)	4,980
Add:				
2013-14 revenues	<u>1,994,707</u>	<u>27,169</u>	<u>74,907</u>	<u>21,036</u>
Total Cash Available	2,098,155	37,382	68,050	26,016
Less:				
2013-14 expenditures	(1,910,504)	(16,773)	(58,637)	(18,717)
Receivables/Payables	<u>150,350</u>	<u>(8,786)</u>	<u>(5,722)</u>	<u>-</u>
Cash June 30, 2014	<u>338,001</u>	<u>11,823</u>	<u>3,691</u>	<u>7,299</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(131,948)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>206,053</u>	<u>11,823</u>	<u>3,691</u>	<u>7,299</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(66,996)</u>	<u>-</u>	<u>-</u>	<u>(7,299)</u>
Fund Balance , Modified Accrual Basis	<u>\$ 139,057</u>	<u>11,823</u>	<u>3,691</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	State Flowthrough 26000	State Flow Through Fund 27000	Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	13,196	-	-	124,980
56,115	3,999	2,101	27,447	130,398	78,767	2,416,646
56,115	3,999	2,101	40,643	130,398	78,767	2,541,626
(47,583)	(10,586)	(8,375)	(5,247)	(194,977)	(29,518)	(2,300,917)
(27,871)	16	(2,101)	-	(32,909)	(5,609)	67,368
(19,339)	(6,571)	(8,375)	35,396	(97,488)	43,640	308,077
19,498	6,587	8,375	-	97,488	-	-
159	16	-	35,396	-	43,640	308,077
						Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds: (7,299)
						Balance Sheets - Governmental Funds \$ 300,778
(159)	(16)	-	(6,464)	-	-	(80,934)
-	-	-	28,932	-	43,640	(227,143)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	509
Receivables		
Due from Other Governments		55,004
Total Current Assets		<u>55,513</u>

Noncurrent Assets:

Capital Assets		
Furniture, Fixtures, and Equipment		17,045
Less: Accumulated Depreciation		(16,572)
Total Noncurrent Assets		<u>473</u>
Total Assets		<u>55,986</u>

LIABILITIES

Current Liabilities:

Accounts Payable		10,342
Total Current Liabilities		<u>10,342</u>
Total Liabilities		<u>10,342</u>

NET POSITION

Investment in Capital Assets		473
Restricted		12,325
Unrestricted		32,846
Total Net Position	\$	<u><u>45,644</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 918,626	20,366	115,985	-	(782,275)
Support Services:					
Students	134,129	-	-	-	(134,129)
General Administration	17,977	-	-	-	(17,977)
School Administration	126,738	-	-	-	(126,738)
Central Services	82,890	-	-	-	(82,890)
Operation & Maintenance of Plant	96,066	-	-	-	(96,066)
Food Services	107,284	26,142	30,259	-	(50,883)
Facilities Materials, Supplies & Other Services	138,859	-	-	138,859	-
Total Governmental Activities	\$ 1,622,569	46,508	146,244	138,859	(1,290,958)
			General Revenues:		
			State Equalization Guarantee	\$ 1,177,217	
			Total General Revenues	<u>1,177,217</u>	
			Change in Net Position		(113,741)
			Net Position, Beginning		<u>159,385</u>
			Net Position, Ending	\$ 45,644	<u><u>45,644</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ -	-	484	-	-
Accounts Receivable					
Due from Government	-	-	703	-	-
Due from Other Funds	43,188	4,767	6,346	-	-
Total Assets	\$ 43,188	4,767	7,533	-	-
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 10,342	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	10,342	-	-	-	-
<i>Fund Balances</i>					
Fund Balance:					
Restricted for:					
Instruction	-	4,767	-	-	-
Food Service Operations	-	-	7,533	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	32,846	-	-	-	-
Total Fund Balance	32,846	4,767	7,533	-	-
Total Liabilities and Fund Balance	\$ 43,188	4,767	7,533	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154	Spaceport Grant 26204	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	25	-	-	-	-	509
15,993	-	5,935	-	32,373	-	55,004
-	-	-	-	-	-	54,301
<u>15,993</u>	<u>25</u>	<u>5,935</u>	<u>-</u>	<u>32,373</u>	<u>-</u>	<u>109,814</u>
-	-	-	-	-	-	10,342
15,993	-	5,935	-	32,373	-	54,301
<u>15,993</u>	<u>-</u>	<u>5,935</u>	<u>-</u>	<u>32,373</u>	<u>-</u>	<u>64,643</u>
-	25	-	-	-	-	4,792
-	-	-	-	-	-	7,533
-	-	-	-	-	-	32,846
-	25	-	-	-	-	45,171
<u>15,993</u>	<u>25</u>	<u>5,935</u>	<u>-</u>	<u>32,373</u>	<u>-</u>	<u>109,814</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 J PAUL TAYLOR ACADEMY
 Reconciliation of the Balance Sheets Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 45,171**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	17,045	
Accumulated Depreciation	(16,572)	
		473

Net Position-Total Governmental Activities **\$ 45,644**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ -	-	-	-	-
State Grant	1,177,217	11,029	-	-	-
Federal Grant	-	-	30,259	37,284	37,276
Charges for Services	20,366	-	26,142	-	-
Total Revenues	<u>1,197,583</u>	<u>11,029</u>	<u>56,401</u>	<u>37,284</u>	<u>37,276</u>
Expenditures:					
Current:					
Instruction	810,507	19,718	-	37,284	-
Support Services:					
Students	94,737	-	-	-	37,276
General Administration	17,977	-	-	-	-
School Administration	126,738	-	-	-	-
Central Services	82,890	-	-	-	-
Operation & Maintenance of Plant	96,066	-	-	-	-
Food Services Operations	40,635	-	63,634	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,269,550</u>	<u>19,718</u>	<u>63,634</u>	<u>37,284</u>	<u>37,276</u>
<i>Deficiency of Revenues Under Expenditures</i>	<u>(71,967)</u>	<u>(8,689)</u>	<u>(7,233)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(71,967)</u>	<u>(8,689)</u>	<u>(7,233)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>104,813</u>	<u>13,456</u>	<u>14,766</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 32,846</u>	<u>4,767</u>	<u>7,533</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154	Spaceport Grant 26204	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	8,468	-	-	8,468
-	-	-	-	129,491	9,368	1,327,105
15,993	-	5,935	-	-	-	126,747
-	-	-	-	-	-	46,508
<u>15,993</u>	<u>-</u>	<u>5,935</u>	<u>8,468</u>	<u>129,491</u>	<u>9,368</u>	<u>1,508,828</u>
13,877	12,750	5,935	15,888	-	-	915,959
2,116	-	-	-	-	-	134,129
-	-	-	-	-	-	17,977
-	-	-	-	-	-	126,738
-	-	-	-	-	-	82,890
-	-	-	-	-	-	96,066
-	-	-	-	-	-	104,269
-	-	-	-	129,491	9,368	138,859
<u>15,993</u>	<u>12,750</u>	<u>5,935</u>	<u>15,888</u>	<u>129,491</u>	<u>9,368</u>	<u>1,616,887</u>
-	(12,750)	-	(7,420)	-	-	(108,059)
-	(12,750)	-	(7,420)	-	-	(108,059)
-	12,775	-	7,420	-	-	153,230
<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,171</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 J PAUL TAYLOR ACADEMY
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net change in fund balances-total governmental funds **\$ (108,059)**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Depreciation Expense	(5,682)	
		(5,682)

Change in net position-total governmental activities **\$ (113,741)**

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 J PAUL TAYLOR ACADEMY
 Statement of Fiduciary Assets and Liabilities- Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 2,492</u>
Total Assets	<u><u>\$ 2,492</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 2,492</u>
Total Liabilities	<u><u>\$ 2,492</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 263	16,833	14,604	2,492
Total Assets	<u>\$ 263</u>	<u>16,833</u>	<u>14,604</u>	<u>2,492</u>
LIABILITIES				
Deposits Held for Others	\$ 263	16,833	14,604	2,492
Total Liabilities	<u>\$ 263</u>	<u>16,833</u>	<u>14,604</u>	<u>2,492</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The J. Paul Taylor Academy's (JPTA) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The JPTA does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The JPTA utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Computer Equipment and Business Machines	5 years
General Equipment and Musical Instruments	8 years
Furniture, Major Appliances, and Large Equipment	10 years

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 17,045	-	-	17,045
<i>Total</i>	<u>17,045</u>	-	-	<u>17,045</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(10,890)	(5,682)	-	(16,572)
<i>Total</i>	<u>(10,890)</u>	<u>(5,682)</u>		<u>(16,572)</u>
Net Fixed Assets	<u>\$ 6,155</u>	<u>(5,682)</u>	-	<u>473</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 2,667
Food Services	<u>3,015</u>
Total	<u>\$ 5,682</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J. PAUL TAYLOR ACADEMY
Notes to the Financial Statements
June 30, 2014**

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The JPTA leased facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$145,200. JPTA has a minimum future payment on this lease in the amount of \$145,200 for the year ending June 30, 2015.

NOTE 4. RELATED PARTIES

The Business Manager of JPTA is also the Business Manager of Alma D' Arte Charter School.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,278,106	1,177,217	1,177,217	-
Charges for Services	6,000	6,000	20,366	14,366
Total Revenues	<u>1,284,106</u>	<u>1,183,217</u>	<u>1,197,583</u>	<u>14,366</u>
Expenditures:				
Current:				
Instruction	941,757	846,327	808,905	37,422
Support Services:				
Students	66,461	92,971	91,886	1,085
General Administration	15,500	20,500	20,298	202
School Administration	131,041	131,041	126,838	4,203
Central Services	82,390	82,940	82,890	50
Operation & Maintenance of Plant	119,743	93,219	93,219	-
Food Services Operations	41,214	27,214	26,502	712
Total Expenditures	<u>1,398,106</u>	<u>1,294,212</u>	<u>1,250,538</u>	<u>43,674</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(114,000)</u>	<u>(110,995)</u>	<u>(52,955)</u>	<u>58,040</u>
Other Financing Sources (Uses):				
Designated Cash	114,000	110,995	-	(110,995)
Total Other Financing Sources (Uses):	<u>114,000</u>	<u>110,995</u>	<u>-</u>	<u>(110,995)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(52,955)</u>	<u>(52,955)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>104,813</u>	<u>104,813</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>51,858</u>	<u>51,858</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(19,012)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (71,967)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	9,356	14,122	4,766
Total Revenues	<u>-</u>	<u>9,356</u>	<u>14,122</u>	<u>4,766</u>
Expenditures:				
Current:				
Instruction	-	19,719	19,719	-
Total Expenditures	<u>-</u>	<u>19,719</u>	<u>19,719</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(10,363)</u>	<u>(5,597)</u>	<u>4,766</u>
Other Financing Sources (Uses):				
Designated Cash	-	10,363	-	(10,363)
Total Other Financing Sources (Uses):	<u>-</u>	<u>10,363</u>	<u>-</u>	<u>(10,363)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,597)</u>	<u>(5,597)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>13,456</u>	<u>13,456</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,859</u>	<u>7,859</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(3,092)	
NET CHANGE IN FUND BALANCE			<u>\$ (8,689)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 32,000	32,000	30,929	(1,071)
Charges for Services	27,000	27,000	26,142	(858)
Total Revenues	<u>59,000</u>	<u>59,000</u>	<u>57,071</u>	<u>(1,929)</u>
Expenditures:				
Food Services Operations	60,626	73,766	63,634	10,132
Total Expenditures	<u>60,626</u>	<u>73,766</u>	<u>63,634</u>	<u>10,132</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,626)</u>	<u>(14,766)</u>	<u>(6,563)</u>	<u>8,203</u>
Other Financing Sources (Uses):				
Designated Cash	1,626	14,766	-	(14,766)
Total Other Financing Sources (Uses):	<u>1,626</u>	<u>14,766</u>	<u>-</u>	<u>(14,766)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,563)</u>	<u>(6,563)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>14,766</u>	<u>14,766</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>8,203</u>	<u>8,203</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(670)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (7,233)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	46,551	37,284	(9,267)
Total Revenues	<u>-</u>	<u>46,551</u>	<u>37,284</u>	<u>(9,267)</u>
Expenditures:				
Current:				
Instruction	-	46,551	37,284	9,267
Total Expenditures	<u>-</u>	<u>46,551</u>	<u>37,284</u>	<u>9,267</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	37,276	77,034	39,758
Total Revenues	<u>-</u>	<u>37,276</u>	<u>77,034</u>	<u>39,758</u>
Expenditures:				
Current:				
Support Services:				
Students	-	37,276	37,276	-
Total Expenditures	<u>-</u>	<u>37,276</u>	<u>37,276</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	39,758	39,758
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>39,758</u>	<u>39,758</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>39,758</u>	<u>39,758</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(39,758)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	15,993	220	(15,773)
Total Revenues	<u>-</u>	<u>15,993</u>	<u>220</u>	<u>(15,773)</u>
Expenditures:				
Current:				
Instruction	-	13,877	13,877	-
Support Services:				
Students	-	2,116	2,116	-
Total Expenditures	<u>-</u>	<u>15,993</u>	<u>15,993</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(15,773)</u>	<u>(15,773)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(15,773)</u>	<u>(15,773)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(15,773)</u>	<u>(15,773)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>15,773</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter School Planning 24146
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>12,750</u>	<u>12,750</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>12,750</u>	<u>12,750</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(12,750)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (12,750)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 6,385	8,290	4,172	(4,118)
Total Revenues	<u>6,385</u>	<u>8,290</u>	<u>4,172</u>	<u>(4,118)</u>
Expenditures:				
Current:				
Instruction	6,385	8,290	5,935	2,355
Total Expenditures	<u>6,385</u>	<u>8,290</u>	<u>5,935</u>	<u>2,355</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,763)</u>	<u>(1,763)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,763)</u>	<u>(1,763)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,763)</u>	<u>(1,763)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,763</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant – Dona Ana County 26204
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	8,468	8,468	-
Total Revenues	<u>-</u>	<u>8,468</u>	<u>8,468</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	15,888	15,888	-
Total Expenditures	<u>-</u>	<u>15,888</u>	<u>15,888</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	(7,420)	(7,420)	-
Other Financing Sources (Uses):				
Designated Cash	-	7,420	-	(7,420)
Total Other Financing Sources (Uses):	<u>-</u>	<u>7,420</u>	<u>-</u>	<u>(7,420)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,420)</u>	<u>(7,420)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,420</u>	<u>7,420</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (7,420)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	129,491	97,118	(32,373)
Total Revenues	<u>-</u>	<u>129,491</u>	<u>97,118</u>	<u>(32,373)</u>
Expenditures:				
Capital Outlay	-	129,491	129,491	-
Total Expenditures	<u>-</u>	<u>129,491</u>	<u>129,491</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(32,373)	(32,373)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(32,373)</u>	<u>(32,373)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(32,373)</u>	<u>(32,373)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			32,373	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	17,462	9,368	(8,094)
Total Revenues	<u>-</u>	<u>17,462</u>	<u>9,368</u>	<u>(8,094)</u>
Expenditures:				
Capital Outlay	-	17,462	9,368	8,094
Total Expenditures	<u>-</u>	<u>17,462</u>	<u>9,368</u>	<u>8,094</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	24,382
Less: FDIC Coverage:		<u>(24,382)</u>
Uninsured Public Funds:		-
Collateral requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		-
Balance (Over) Under Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 J PAUL TAYLOR ACADEMY
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Bank of the West</u>
Checking - Operational Account	<u>\$ 21,890</u>
<i>Total on Deposit</i>	21,890
Reconciling Items	<u>(18,889)</u>
Reconciled Balance June 30, 2014	<u>3,001</u>
Less Agency Funds	<u>(2,492)</u>
<i>Total Cash</i>	<u><u>\$ 509</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
J PAUL TAYLOR ACADEMY
Cash Reconciliation
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Food Services 21000</u>	<u>Non-Instructional Support 23000</u>
Cash, June 30, 2013	\$ 104,813	13,456	14,766	263
Add:				
2013-14 Revenues	<u>1,197,583</u>	<u>14,122</u>	<u>57,071</u>	<u>16,833</u>
Total Cash Available	1,302,396	27,578	71,837	17,096
Less:				
2013-14 Expenditures	(1,250,538)	(19,719)	(63,634)	(14,604)
Receivables/Payables	<u>(8,670)</u>	<u>(3,092)</u>	<u>(1,373)</u>	<u>-</u>
Cash June 30, 2014	<u>43,188</u>	<u>4,767</u>	<u>6,830</u>	<u>2,492</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(43,188)</u>	<u>(4,767)</u>	<u>(6,346)</u>	<u>-</u>
Cash per Books	<u>-</u>	<u>-</u>	<u>484</u>	<u>2,492</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>32,846</u>	<u>4,767</u>	<u>7,049</u>	<u>(2,492)</u>
Fund Balance , Modified Accrual Basis	<u>\$ 32,846</u>	<u>4,767</u>	<u>7,533</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Local Grants Account 26000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
12,775	7,420	-	-	153,493
118,710	8,468	97,118	9,368	1,519,273
131,485	15,888	97,118	9,368	1,672,766
(96,488)	(15,888)	(129,491)	(9,368)	(1,599,730)
(56,900)	-	-	-	(70,035)
(21,903)	-	(32,373)	-	3,001
21,928	-	32,373	-	-
25	-	-	-	3,001
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:				2,492
Balance Sheets- Governmental Funds:				\$ 509
-	-	-	-	42,170
25	-	-	-	45,171

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 11,317
Receivables	
Due from Other Governments	49,777
Prepaid Expenditures	5,781
Total Current Assets	<u>66,875</u>

Noncurrent Assets:

Capital Assets	
Land	47,694
Land Improvements	398,496
Building and improvements	194,712
Furniture, Fixtures, and Equipment	88,193
Less: Accumulated Depreciation	(26,047)
Total Noncurrent Assets	<u>703,048</u>

Total Assets	<u>769,923</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	32,090
Accrued Liabilities	9,111
Current Portion of Long-Term Debt	18,757
Total Current Liabilities	<u>59,958</u>

Noncurrent Liabilities:

Long-term Debt	415,162
Total Noncurrent Liabilities	<u>415,162</u>

Total Liabilities	<u>475,120</u>
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NET POSITION

Net Investment in Capital Assets	269,129
Restricted	8,489
Unrestricted	17,185

Total Net Position	<u>\$ 294,803</u>
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 318,117	-	188,669	-	(129,448)
Support Services:					
Students	8,459	-	-	-	(8,459)
Instruction	26,268	-	-	-	(26,268)
General Administration	15,626	-	-	-	(15,626)
School Administration	103,692	-	-	-	(103,692)
Central Services	84,781	-	-	-	(84,781)
Operation & Maintenance of Plant	62,061	-	-	213,140	151,079
Interest on Long-Term Debt	28,411	-	-	-	(28,411)
Total Governmental Activities	\$ 647,415	-	188,669	213,140	(245,606)
General Revenues:					
State Equalization Guarantee					\$ 348,871
Miscellaneous					9,712
Total General Revenues					<u>358,583</u>
Change in Net Position					112,977
Net Position, Beginning					<u>181,826</u>
Net Position, Ending					<u>\$ 294,803</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Balance Sheets- Governmental Funds
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Title I IASA 24101</u>	<u>IDEA-B Entitlement 24106</u>
ASSETS				
Cash and Cash Equivalents	\$ 7,123	2,673	-	-
Accounts Receivable				
Due from Government	-	-	1,613	8,459
Due from Other Funds	26,134	-	-	-
Prepays	5,781	-	-	-
Total Assets	<u>\$ 39,038</u>	<u>2,673</u>	<u>1,613</u>	<u>8,459</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 8,447	-	-	756
Accrued Expenses	9,111	-	-	-
Due to Other Funds	-	-	1,613	7,703
Total Liabilities	<u>17,558</u>	<u>-</u>	<u>1,613</u>	<u>8,459</u>
Fund Balances				
Fund Balance:				
Nonspendable:				
Prepaid Expenditures	5,781	-	-	-
Restricted for:				
Instruction	-	2,673	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	15,699	-	-	-
Total Fund Balance	<u>21,480</u>	<u>2,673</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 39,038</u>	<u>2,673</u>	<u>1,613</u>	<u>8,459</u>

The accompanying notes are an integral part of these financial statements

Federal Charter Planning 24146	Teacher/Principal Training 24154	Reads to Lead 27114	Bond Building 31100	Public Schools Capital Outlay 31200	Foundation	Total
35	-	-	-	-	1,486	11,317
19,100	3,787	4,684	-	12,134	-	49,777
-	-	-	-	-	-	26,134
-	-	-	-	-	-	5,781
<u>19,135</u>	<u>3,787</u>	<u>4,684</u>	<u>-</u>	<u>12,134</u>	<u>1,486</u>	<u>93,009</u>
19,100	3,787	-	-	-	-	32,090
-	-	-	-	-	-	9,111
-	-	4,684	-	12,134	-	26,134
<u>19,100</u>	<u>3,787</u>	<u>4,684</u>	<u>-</u>	<u>12,134</u>	<u>-</u>	<u>67,335</u>
-	-	-	-	-	-	5,781
35	-	-	-	-	-	2,708
-	-	-	-	-	1,486	17,185
<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,486</u>	<u>25,674</u>
<u>19,135</u>	<u>3,787</u>	<u>4,684</u>	<u>-</u>	<u>12,134</u>	<u>1,486</u>	<u>93,009</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Jicarita Community School
 Reconciliation of the Balance Sheet- Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 25,674**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	729,095	
Accumulated Depreciation	(26,047)	
	703,048	703,048

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Long-Term Debt	(433,919)	
	(433,919)	(433,919)

Net Position-Total Governmental Activities **\$ 294,803**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Local & County Grant	\$ 9,500	-	-	-
State Grant	348,871	2,673	1,613	8,459
Federal Grant	-	-	-	-
Miscellaneous Income	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>358,371</u>	<u>2,673</u>	<u>1,613</u>	<u>8,459</u>
Expenditures:				
Current:				
Instruction	174,762	-	1,613	-
Support Services:				
Students	-	-	-	8,459
Instruction	599	-	-	-
General Administration	15,626	-	-	-
School Administration	71,132	-	-	-
Central Services	44,218	-	-	-
Operation & Maintenance of Plant	30,884	-	-	-
Capital Outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>337,221</u>	<u>-</u>	<u>1,613</u>	<u>8,459</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>21,150</u>	<u>2,673</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Loan Proceeds	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>21,150</u>	<u>2,673</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>330</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 21,480</u>	<u>2,673</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Charter Planning 24146	Teacher/Principal Training 24154	Reads to Lead 27114	Bond Building 31100	Public Schools Capital Outlay 31200	Foundation	Total
-	-	-	-	-	128,329	137,829
-	3,787	17,927	46,614	38,197	-	468,141
154,210	-	-	-	-	-	154,210
-	-	-	-	-	59,092	59,092
-	-	-	-	-	44,492	44,492
<u>154,210</u>	<u>3,787</u>	<u>17,927</u>	<u>46,614</u>	<u>38,197</u>	<u>231,913</u>	<u>863,764</u>
120,028	3,787	17,927	-	-	-	318,117
-	-	-	-	-	-	8,459
25,669	-	-	-	-	-	26,268
-	-	-	-	-	-	15,626
32,560	-	-	-	-	-	103,692
13,514	-	-	-	-	24,861	82,593
4,899	-	-	-	-	-	35,783
139,577	-	-	46,614	38,197	417,459	641,847
-	-	-	-	-	16,081	16,081
-	-	-	-	-	28,411	28,411
<u>336,247</u>	<u>3,787</u>	<u>17,927</u>	<u>46,614</u>	<u>38,197</u>	<u>486,812</u>	<u>1,276,877</u>
<u>(182,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(254,899)</u>	<u>(413,113)</u>
-	-	-	-	-	336,371	336,371
-	-	-	-	-	336,371	336,371
<u>(182,037)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,472</u>	<u>(76,742)</u>
<u>182,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(79,986)</u>	<u>102,416</u>
<u>35</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,486</u>	<u>25,674</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Jicarita Community School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (76,742)**

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

Long-term debt proceeds provide current financial resources to governmental funds,
 but issuing debt increases long-term liabilities on the Statement of Net Assets
 Repayment of long-term debt principal is an expenditure in the governmental funds,
 but the repayment reduces long-term liabilities in the Statement of Net Assets. This
 is the amount by which proceeds exceeded repayments. (320,290)

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period.

Capital Outlays	536,056	
Depreciation Expense	(26,047)	
	510,009	510,009

Change in Net Position-Total Governmental Activities **\$ 112,977**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The La Jicarita Community School's (LJCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The LJCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The LJCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Building and Building Improvements	10-25 years
Furniture, Fixtures, and Equipment	5-20 years
Land Improvements	30 years

Capital assets for the LJCS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30,</u> <u>2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfer</u>	<u>Balance</u> <u>June 30,</u> <u>2014</u>
<i>Capital Assets not Depreciated:</i>					
Construction in Progress	\$ 145,345	422,814	-	(568,159)	-
Land	47,694	-	-	-	47,694
<i>Total</i>	<u>193,039</u>	<u>422,814</u>		<u>(568,159)</u>	<u>47,694</u>
<i>Capital Assets being Depreciated:</i>					
Buildings and building improvements	-	25,049	-	169,663	194,712
Furniture, fixtures and equipment	-	88,193	-	-	88,193
Land improvements	-	-	-	398,496	398,496
<i>Total</i>	<u>-</u>	<u>113,242</u>	<u>-</u>	<u>568,159</u>	<u>681,401</u>
<i>Less: Accumulated Depreciation</i>					
Buildings and building improvements	-	(9,777)	-	-	(9,777)
Furniture, fixtures and equipment	-	(4,094)	-	-	(4,094)
Land Improvements	-	(12,176)	-	-	(12,176)
<i>Total</i>	<u>-</u>	<u>(26,047)</u>	<u>-</u>	<u>-</u>	<u>(26,047)</u>
Net Capital Assets	\$ 193,039	510,009	-	-	703,048

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2014 was expensed to the following functions:

Central Services	\$	2,188
Operation & Maintenance of Plant		23,859
Total	\$	26,047

NOTE 3. LONG-TERM DEBT

In May 2013, the La Jicarita Community Foundation entered into a note payable agreement with the Charter School Development Corporation to finance the purchase of land and to make various land improvements. The note has an annual interest rate of 7%. The total note payable as of June 30, 2014 is as follows:

Note Payable to lender secured by land; Interest at lender's rate 7% due in monthly Installments of \$4,044; with a balloon payment of the outstanding balance at July 31, 2018	\$	433,919
Total notes payable	\$	433,919

The aggregate amounts of principal maturities and interest of notes payable are as follows:

	Principal	Interest	Total
2015	\$ 18,757	29,780	48,537
2016	20,113	28,424	48,537
2017	21,566	26,970	48,536
2018	23,125	25,411	48,536
2019	350,358	2,044	352,402
Total	\$ 433,919	112,629	546,548

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 4. COMMITMENTS AND CONTINGENCIES

The LJCS leases facilities under long-term cancelable operating leases. The LJCS are leased from the Foundation. Rental expense for the year ended June 30, 2014 was \$44,492. The school's minimum future payments on these leases are as follows:

Year Ending June 30:		
2015	\$	48,537
2016		48,537
2017		48,537
2018		48,537
2019		48,537
2020- 2024		242,685
2025- 2029		<u>205,425</u>
Total:	\$	<u><u>690,795</u></u>

NOTE 5. RELATED PARTIES

The LJCS has a Foundation which subleases the property to the school. The Foundation is considered a component unit of the LJCS and is presented as a blended component unit.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	1,000	9,500	8,500
State Grant	432,629	348,871	348,871	-
Total Revenues	<u>432,629</u>	<u>349,871</u>	<u>358,371</u>	<u>8,500</u>
Expenditures:				
Current:				
Instruction	168,832	176,383	174,919	1,464
Support Services:				
Students	20,600	-	-	-
Instruction	-	600	599	1
General Administration	19,800	16,334	15,626	708
School Administration	74,247	74,247	70,975	3,272
Central Services	38,565	48,880	44,218	4,662
Operation & Maintenance of Plant	110,585	33,457	30,884	2,573
Total Expenditures	<u>432,629</u>	<u>349,901</u>	<u>337,221</u>	<u>12,680</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(30)	21,150	21,180
Net Changes in Fund Balances	<u>-</u>	<u>(30)</u>	<u>21,150</u>	<u>21,180</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>30</u>	<u>330</u>	<u>300</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>21,480</u>	<u>21,480</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 21,150</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	2,673	2,673
Total Revenues	<u>-</u>	<u>-</u>	<u>2,673</u>	<u>2,673</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,673</u>	<u>2,673</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,673</u>	<u>2,673</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,673</u>	<u>2,673</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 2,673</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	14,200	-	(14,200)
Total Revenues	<u>-</u>	<u>14,200</u>	<u>-</u>	<u>(14,200)</u>
Expenditures:				
Current:				
Instruction	-	14,200	1,613	12,587
Total Expenditures	<u>-</u>	<u>14,200</u>	<u>1,613</u>	<u>12,587</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(1,613)</u>	<u>(1,613)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,613)</u>	<u>(1,613)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,613)</u>	<u>(1,613)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,613</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	9,725	-	(9,725)
Total Revenues	<u>-</u>	<u>9,725</u>	<u>-</u>	<u>(9,725)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	9,725	8,459	1,266
Total Expenditures	<u>-</u>	<u>9,725</u>	<u>8,459</u>	<u>1,266</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(8,459)</u>	<u>(8,459)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,459)</u>	<u>(8,459)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,459)</u>	<u>(8,459)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			8,459	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter Planning 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	343,038	320,359	(22,679)
Total Revenues	<u>-</u>	<u>343,038</u>	<u>320,359</u>	<u>(22,679)</u>
Expenditures:				
Current:				
Instruction	-	123,382	120,028	3,354
Support Services:				
Instruction	-	25,670	25,669	1
General Administration	-	3,434	3,433	1
School Administration	-	32,561	32,560	1
Central Services	-	25,448	25,448	-
Operation & Maintenance of Plant	-	132,543	132,542	1
Total Expenditures	<u>-</u>	<u>343,038</u>	<u>339,680</u>	<u>3,358</u>
Deficiency of Revenues				
Under Expenditures	-	-	(19,321)	(19,321)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(19,321)</u>	<u>(19,321)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>256</u>	<u>256</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(19,065)</u>	<u>(19,065)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(166,149)	
Adjustments to Expenditures			3,433	
NET CHANGE IN FUND BALANCE			<u>\$ (182,037)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/ Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	3,803	-	(3,803)
Total Revenues	<u>-</u>	<u>3,803</u>	<u>-</u>	<u>(3,803)</u>
Expenditures:				
Current:				
Instruction	-	3,803	3,787	16
Total Expenditures	<u>-</u>	<u>3,803</u>	<u>3,787</u>	<u>16</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(3,787)</u>	<u>(3,787)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,787)</u>	<u>(3,787)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,787)</u>	<u>(3,787)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>3,787</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Lead 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	23,239	13,243	(9,996)
Total Revenues	<u>-</u>	<u>23,239</u>	<u>13,243</u>	<u>(9,996)</u>
Expenditures:				
Current:				
Instruction	-	23,239	17,927	5,312
Total Expenditures	<u>-</u>	<u>23,239</u>	<u>17,927</u>	<u>5,312</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(4,684)</u>	<u>(4,684)</u>
 Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(4,684)</u>	<u>(4,684)</u>
 Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(4,684)</u>	<u>(4,684)</u>
 Reconciliation to GAAP Basis:				
Adjustments to revenues			<u>4,684</u>	
 NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Jicarita Community School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Bond Building 31100
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	185,944	46,614	(139,330)
Total Revenues	<u>-</u>	<u>185,944</u>	<u>46,614</u>	<u>(139,330)</u>
Expenditures:				
Capital outlay	-	185,944	46,614	139,330
Total expenditures	<u>-</u>	<u>185,944</u>	<u>46,614</u>	<u>139,330</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Jicarita Community School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public Schools Capital Outlay 31200
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	38,477	26,063	(12,414)
Total Revenues	<u>-</u>	<u>38,477</u>	<u>26,063</u>	<u>(12,414)</u>
Expenditures:				
Capital outlay	-	38,477	38,197	280
Total Expenditures	<u>-</u>	<u>38,477</u>	<u>38,197</u>	<u>280</u>
Deficiency of Revenues				
Under Expenditures	-	-	(12,134)	(12,134)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(12,134)</u>	<u>(12,134)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(12,134)</u>	<u>(12,134)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			12,134	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -
Total Cash per Schedule of Cash Accounts:				\$ 15,469
Less: FDIC Coverage:				(15,469)
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				-
Balance (Over) Under Collateralized:				\$ -
Balance uninsured and uncollateralized at June 30, 2014:				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Centinel Bank of Taos</u>
Checking - Operational Account	\$ 13,971
Checking - Foundation	<u>1,498</u>
<i>Total on Deposit</i>	15,469
Reconciling Items	<u>(4,152)</u>
<i>Total Cash</i>	<u><u>\$ 11,317</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Jicarita Community School
Cash Reconciliation
June 30, 2014

	Operational 11000	Materials 14000	Federal Projects Account 24000	State Flowthrough Account 27000	Bond Building 31100	Public Schools Capital Outlay 31200	Total
Cash, June 30, 2013	\$ 330	-	256	-	-	-	586
Add:							
2013-14 Revenues	358,371	2,673	320,359	13,243	46,614	26,063	767,323
Total Cash Available	358,701	2,673	320,615	13,243	46,614	26,063	767,909
Less:							
2013-14 Expenditures	(337,221)	-	(353,539)	(17,927)	(46,614)	(38,197)	(793,498)
Receivables/Payables	2,827	-	23,644	-	-	-	26,471
Cash June 30, 2014	24,307	2,673	(9,280)	(4,684)	-	(12,134)	882
Fund Balance Reconciliations to GAAP Basis:							
Audit Reclassifications to Cash	(17,184)	-	9,315	4,684	-	12,134	8,949
Cash per Books	7,123	2,673	35	-	-	-	9,831
						Add: *Foundation	1,486
						Balance Sheets - Governmental Funds:	\$ 11,317
Fund Balance Reconciliation to GAAP Basis:							
Modified Accrual Adjustments	14,357	-	-	-	-	-	14,357
Fund Balance , Modified Accrual Basis	\$ 21,480	2,673	35	-	-	-	24,188
						Add: * Foundation	1,486
						Balance Sheets - Governmental Funds:	\$ 25,674

*Foundation is not required to be reported to the PED and is therefore not included in the cash report.

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets:

Cash	\$ 241,413
Receivables	
Due From Other Governments	354,960
Total Current Assets	<u>596,373</u>

Noncurrent Assets:

Capital Assets	
Land	1,402,136
Building and Improvements	8,941,177
Furniture, Fixtures, and Equipment	152,070
Less: Accumulated Depreciation	(836,302)
Total Noncurrent Assets	<u>9,659,081</u>
 Total Assets	 <u>10,255,454</u>

LIABILITIES

Current Liabilities:

Bank Overdraft	104,992
Accounts Payable	32,841
Accrued Liabilities	244,279
Current Portion of Long-term Debt	142,428
Total Current Liabilities	<u>524,540</u>

Noncurrent Liabilities:

Long-term Debt	7,515,808
Total Noncurrent Liabilities	<u>7,515,808</u>
 Total Liabilities	 <u>8,040,348</u>

NET POSITION

Net Investment in Capital Assets	2,000,845
Restricted	243,059
Unrestricted (Deficit)	(28,798)
Total Net Position	<u>\$ 2,215,106</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 2,340,783	142,262	820,298	664,529	(713,694)
Support Services:					
Students	492,541	-	-	-	(492,541)
Instruction	5,836	-	-	-	(5,836)
General Administration	24,970	-	-	-	(24,970)
School Administration	159,764	-	-	-	(159,764)
Central Services	94,871	-	-	-	(94,871)
Operation & Maintenance of Plant	619,997	-	-	-	(619,997)
Student Transportation	7,500	-	-	-	(7,500)
Food Services	367,691	11,282	309,209	-	(47,200)
Facilities Materials, Supplies & Other Services	1,315,013	-	-	-	(1,315,013)
Total Governmental Activities	\$ 5,428,966	153,544	1,129,507	664,529	(3,481,386)
			General Revenues:		
			State Equalization Guarantee	\$ 2,595,270	
			Property Tax	258,083	
			Miscellaneous	506,487	
			Total General Revenues	3,359,840	
			Change in Net Position		(121,546)
			Net Position, Beginning		2,192,256
			Restatement		144,396
			Net Position, Beginning Restated		2,336,652
			Net Position, Ending	\$ 2,215,106	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ -	-	23,300	-	-
Accounts Receivable					
Due from Other Funds	291,214	-	591	-	-
Other	20,963	6,038	-	13,829	11,632
<i>Total Assets</i>	<u>\$ 312,177</u>	<u>6,038</u>	<u>23,891</u>	<u>13,829</u>	<u>11,632</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Bank Overdraft	\$ 104,992	-	-	-	-
Accounts Payable	32,841	-	-	-	-
Accrued Expenditures	213,585	-	4,599	3,444	7,374
Due to Other Funds	-	1,270	-	10,382	4,258
Total Liabilities	<u>351,418</u>	<u>1,270</u>	<u>4,599</u>	<u>13,826</u>	<u>11,632</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	4,768	-	3	-
Student Support Services	-	-	-	-	-
Food Service Operations	-	-	19,292	-	-
Capital Improvements	-	-	-	-	-
Unassigned (Deficit)	(39,241)	-	-	-	-
Total Fund Balance (Deficit)	<u>(39,241)</u>	<u>4,768</u>	<u>19,292</u>	<u>3</u>	<u>-</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ 312,177</u>	<u>6,038</u>	<u>23,891</u>	<u>13,829</u>	<u>11,632</u>

The accompanying notes are an integral part of these financial statements

Fresh Fruit & Vegetables 24118	IDEA-B Risk Pool 24120	English Language Acquisition 24153	Teacher Principal Training 24154	Medicaid 0 - 2 Years 25152	Elementary & Middle School Initiative 26177	New Mexico Reads 27114
-	-	-	-	3,566	-	-
-	-	-	-	-	-	-
-	639	17,193	14,607	-	9,843	17,774
-	639	17,193	14,607	3,566	9,843	17,774
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	17	-	57	5,971
-	639	17,193	14,650	-	9,526	11,803
-	639	17,193	14,667	-	9,583	17,774
-	-	-	-	-	-	-
-	-	-	-	3,566	260	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(60)	-	-	-
-	-	-	(60)	3,566	260	-
-	639	17,193	14,607	3,566	9,843	17,774

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Pre-K Initiative 27149	Breakfast For Elementary Students 27155	K-3 Plus 27166	New Mexico Grown FVV 27183	Next Generation Assessments 27185
ASSETS					
Cash and Cash Equivalents	\$ -	-	-	-	-
Accounts Receivable					
Due from Other Funds	-	-	-	-	-
Other	170,804	-	-	591	5,836
<i>Total Assets</i>	<u>\$ 170,804</u>	<u>-</u>	<u>-</u>	<u>591</u>	<u>5,836</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Bank Overdraft	\$ -	-	-	-	-
Accounts Payable	-	-	-	-	-
Accrued Expenditures	9,232	-	-	-	-
Due to Other Funds	161,593	-	-	591	5,836
Total Liabilities	<u>170,825</u>	<u>-</u>	<u>-</u>	<u>591</u>	<u>5,836</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	-	-	-	-
Student Support Services	-	-	-	-	-
Food Service Operations	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Unassigned (Deficit)	(21)	-	-	-	-
Total Fund Balance (Deficit)	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ 170,804</u>	<u>-</u>	<u>-</u>	<u>591</u>	<u>5,836</u>

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Special Capital Outlay - State 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation	Total
-	-	167,008	36,965	10,574	241,413
-	-	5,886	-	-	297,691
54,109	5,791	3,331	1,980	-	354,960
<u>54,109</u>	<u>5,791</u>	<u>176,225</u>	<u>38,945</u>	<u>10,574</u>	<u>894,064</u>
-	-	-	-	-	104,992
-	-	-	-	-	32,841
-	-	-	-	-	244,279
54,109	5,841	-	-	-	297,691
<u>54,109</u>	<u>5,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>679,803</u>
-	-	-	-	-	4,771
-	-	-	-	-	3,826
-	-	-	-	-	19,292
-	-	176,225	38,945	-	215,170
-	(50)	-	-	10,574	(28,798)
-	(50)	176,225	38,945	10,574	214,261
<u>54,109</u>	<u>5,791</u>	<u>176,225</u>	<u>38,945</u>	<u>10,574</u>	<u>894,064</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Reconciliation of the Balance Sheets - Governmental Funds
to Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 214,261**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	10,495,383	
Accumulated Depreciation	<u>(836,302)</u>	
		9,659,081

Long-term liabilities are not due in the current period and,
 therefore, are not reported in the funds.

(7,658,236)

Net Position-Total Governmental Activities **\$ 2,215,106**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	27,369	16	-	-	-
State Grant	2,595,270	22,238	-	-	-
Federal Grant	1,163	-	309,209	136,702	48,555
Charges for Services	142,262	-	11,282	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>2,766,064</u>	<u>22,254</u>	<u>320,491</u>	<u>136,702</u>	<u>48,555</u>
Expenditures:					
Current:					
Instruction	1,700,427	31,926	-	136,699	48,555
Support Services:					
Students	388,733	-	-	-	-
Instruction	-	-	-	-	-
General Administration	24,970	-	-	-	-
School Administration	137,458	-	-	-	-
Central Services	94,871	-	-	-	-
Operation & Maintenance of Plant	616,383	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	340,031	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>2,962,842</u>	<u>31,926</u>	<u>340,031</u>	<u>136,699</u>	<u>48,555</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(196,778)</u>	<u>(9,672)</u>	<u>(19,540)</u>	<u>3</u>	<u>-</u>
Net Changes in Fund Balances	<u>(196,778)</u>	<u>(9,672)</u>	<u>(19,540)</u>	<u>3</u>	<u>-</u>
Fund Balances - Beginning of Year	157,537	14,440	38,832	-	-
Restatement	-	-	-	-	-
Fund Balances- Restated	157,537	14,440	38,832	-	-
Fund Balances (Deficit) - End of Year	<u>\$ (39,241)</u>	<u>4,768</u>	<u>19,292</u>	<u>3</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Fresh Fruit & Vegetables 24118	IDEA-B Risk Pool 24120	English Language Acquisition 24153	Teacher Principal Training 24154	Medicaid 0 - 2 Years 25152	Elementary & Middle School Initiative 26177	New Mexico Reads 27114
-	-	-	-	-	-	-
-	-	-	-	-	9,843	-
-	-	-	-	-	-	48,256
12,399	639	17,193	14,607	14,370	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,399</u>	<u>639</u>	<u>17,193</u>	<u>14,607</u>	<u>14,370</u>	<u>9,843</u>	<u>48,256</u>
-	-	17,193	14,542	-	-	48,256
-	639	-	-	15,031	9,583	-
-	-	-	-	-	-	-
-	-	-	125	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
12,399	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,399</u>	<u>639</u>	<u>17,193</u>	<u>14,667</u>	<u>15,031</u>	<u>9,583</u>	<u>48,256</u>
-	-	-	(60)	(661)	260	-
-	-	-	(60)	(661)	260	-
-	-	-	-	4,227	-	-
-	-	-	-	-	-	-
-	-	-	-	4,227	-	-
-	-	-	(60)	3,566	260	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
LA PROMESA EARLY LEARNING CENTER
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Pre-K Initiative 27149	Breakfast For Elementary Students 27155	K-3 Plus 27166	New Mexico Grown FVV 27183	Next Generation Assessments 27185
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	-	-	-	-	-
State Grant	201,354	9,608	249,559	591	5,836
Federal Grant	-	-	-	-	-
Charges for Services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>201,354</u>	<u>9,608</u>	<u>249,559</u>	<u>591</u>	<u>5,836</u>
Expenditures:					
Current:					
Instruction	163,332	-	177,187	-	-
Support Services:					
Students	38,043	-	40,512	-	-
Instruction	-	-	-	-	5,836
General Administration	-	-	-	-	-
School Administration	-	-	22,181	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	7,500	-	-
Food Services Operations	-	9,608	2,179	591	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>201,375</u>	<u>9,608</u>	<u>249,559</u>	<u>591</u>	<u>5,836</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(21)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	-	-	-	-	-
Restatement	-	-	-	-	-
Fund Balances- Restated	-	-	-	-	-
Fund Balances (Deficit) - End of Year	<u>\$ (21)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Special Capital Outlay - State 31400	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Foundation	Total
-	-	173,099	84,984	-	258,083
-	-	-	-	-	37,228
216,435	448,094	-	-	-	3,797,241
-	-	-	-	-	554,837
-	-	-	-	-	153,544
-	-	-	-	506,487	506,487
<u>216,435</u>	<u>448,094</u>	<u>173,099</u>	<u>84,984</u>	<u>506,487</u>	<u>5,307,420</u>
-	-	-	-	-	2,338,117
-	-	-	-	-	492,541
-	-	-	-	-	5,836
-	-	-	-	-	24,970
-	-	-	-	-	159,764
-	-	-	-	-	94,871
-	-	-	-	-	616,383
-	-	-	-	-	7,500
-	-	-	-	-	364,808
216,435	448,144	141,270	46,039	541,031	1,392,919
<u>216,435</u>	<u>448,144</u>	<u>141,270</u>	<u>46,039</u>	<u>541,031</u>	<u>5,497,709</u>
-	(50)	31,829	38,945	(34,544)	(190,289)
<u>-</u>	<u>(50)</u>	<u>31,829</u>	<u>38,945</u>	<u>(34,544)</u>	<u>(190,289)</u>
-	-	-	-	45,118	260,154
-	-	144,396	-	-	144,396
-	-	144,396	-	45,118	404,550
<u>-</u>	<u>(50)</u>	<u>176,225</u>	<u>38,945</u>	<u>10,574</u>	<u>214,261</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
 For The Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (190,289)**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the statement of activities. This is the amount by which
 capital outlay exceeds depreciation for the period.

Capital Outlays	208,795	
Depreciation Expense	(265,534)	
	(56,739)	(56,739)

The issuance of long-term debt provides current financial resources of
 governmental funds, while the repayment of the principal of long-term
 debt consumes the current financial resources of governmental funds.
 Neither transaction, however, has any effect on net position. Also,
 governmental funds report issuance of debt obligations as other
 financing sources while it is not accounted for in the Statement of
 Activities:

Payments on Note-Payable		125,482
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Change in Net Position-Total Governmental Activities **\$ (121,546)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Deposits Held for Others	\$ -
Total Liabilities	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 10,268	24,456	34,724	-
Total Assets	<u>\$ 10,268</u>	<u>24,456</u>	<u>34,724</u>	<u>-</u>
LIABILITIES				
Deposits Held for Others	\$ 10,268	24,456	34,724	-
Total Liabilities	<u>\$ 10,268</u>	<u>24,456</u>	<u>34,724</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The La Promesa Early Learning Center (LPELC) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The LPELC does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The LPELC utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	20 years

Capital assets for the LPELC are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,402,136*	-	-	1,402,136
<i>Capital assets being depreciated:</i>				
Furniture, fixtures and equipment	37,958	115,712	(1,600)	152,070
Buildings and improvements	8,848,094*	93,083	-	8,941,177
<i>Total capital assets being depreciated</i>	<u>8,886,052</u>	<u>208,795</u>	<u>(1,600)</u>	<u>9,093,247</u>
Less: Accumulated depreciation				
Furniture, fixtures and equipment	(21,960)	(10,364)	1,600	(30,724)
Buildings and improvements	(550,408)	(255,170)	-	(805,578)
<i>Total accumulated depreciation</i>	<u>(572,368)</u>	<u>(265,534)</u>	<u>1,600</u>	<u>(836,302)</u>
<i>Total capital assets being depreciated, net</i>	<u>8,313,684</u>	<u>(56,739)</u>	<u>-</u>	<u>8,256,945</u>
Total Capital assets, net	<u>\$ 9,715,820</u>	<u>(56,739)</u>	<u>-</u>	<u>9,659,081</u>

*Non-depreciable Land was reclassified from depreciable property as reported previously to its separate category for current year presentation.

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Notes to the Financial Statements
 June 30, 2014

NOTE 2. CAPITAL ASSETS (Continued)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	2,666
Food Services		2,883
Operations/Plant Maintenance		3,614
Capital Outlay		256,371
Total	\$	<u>265,534</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The school leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$552,078.

Year Ending June 30:		
2015	\$	720,000
2016		720,000
2017		720,000
2018		720,000
2019		720,000
Total operating lease payments	\$	<u>3,600,000</u>

B. Commitments

In May 2013, The Early Learning Solutions Foundation Inc. entered into a note agreement to purchase land and buildings for the school.

Note Payable to lender secured by land and building; Interest at lender's rate 4.334% per annum, compounded monthly for the first year and 7% per annum compounded monthly, thereafter. Due in monthly installments of \$38,710 for the first 12 months and \$51,486 thereafter, maturing April 26, 2017. The balance as of June 30, 2014 is as follows:

Total principal outstanding	\$	7,658,236
Less: current maturities		(142,428)
Long-term portion outstanding	\$	<u>7,515,808</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Notes to the Financial Statements
 June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES (Continued)

The aggregate amounts of principal maturities of note payable are as follows:

2015	\$	142,428
2016		292,345
2017		7,081,035
Total	\$	<u>7,515,808</u>

NOTE 4. DEFICIENT FUND BALANCES

The following funds had a deficient fund balance at June 30, 2014:

Operational 11000	\$	(39,241)
Teacher and Principal Training 24154	\$	(60)
Pre-K Initiative 27149	\$	(21)
Special Capital Outlay – State 31400	\$	(50)

LPELC is addressing the negative fund balances and is planning to take the appropriate actions to eliminate the negative balance.

NOTE 5. OVERSPENT BUDGET LINE ITEMS

As stated in the finding 2014-003 LPEC had expended in excess of the budget in the following funds and functional groups:

Pre-K Initiative 27149		
Student Support Services	\$	(7,491)

NOTE 6. RELATED PARTIES

The business manager and his spouse operate a company that provides bookkeeping services for the school. The company also provides services to Cesar Chavez Community School, The Montessori Elementary school, and Gilbert L. Sena Charter High School.

In addition, the Executive director’s daughters are employees of the school, one is the business assistant and the other is a teacher.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,077,585	2,595,273	2,595,270	(3)
Charges for Services	12,500	138,920	148,262	9,342
Total Revenues	<u>2,090,085</u>	<u>2,734,193</u>	<u>2,743,532</u>	<u>9,339</u>
Expenditures:				
Current:				
Instruction	1,244,981	1,694,834	1,693,286	1,548
Support Services:				
Students	261,273	362,569	363,272	(703)
General Administration	27,800	27,800	24,970	2,830
School Administration	192,270	192,270	137,458	54,812
Central Services	86,911	95,335	94,871	464
Operation & Maintenance of Plant	276,850	561,829	616,144	(54,315)
Total Expenditures	<u>2,090,085</u>	<u>2,934,637</u>	<u>2,930,001</u>	<u>4,636</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(200,444)</u>	<u>(186,469)</u>	<u>13,975</u>
Other Financing Sources (Uses):				
Designated Cash	-	200,444	-	(200,444)
Total Other Financing Sources (Uses):	<u>-</u>	<u>200,444</u>	<u>-</u>	<u>(200,444)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(186,469)</u>	<u>(186,469)</u>
Cash or Fund Balances - Beginning of year	<u>-</u>	<u>-</u>	<u>209,657</u>	<u>209,657</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>23,188</u>	<u>23,188</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			22,532	
Adjustments to Expenditures			(32,841)	
NET CHANGE IN FUND BALANCE			<u>\$ (196,778)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 16,200	28,948	28,948	-
Total Revenues	<u>16,200</u>	<u>28,948</u>	<u>28,948</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	16,200	36,678	31,926	4,752
Total Expenditures	<u>16,200</u>	<u>36,678</u>	<u>31,926</u>	<u>4,752</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>(7,730)</u>	<u>(2,978)</u>	<u>4,752</u>
Other Financing Sources (Uses):				
Designated Cash	-	7,730	-	(7,730)
Total Other Financing Sources (Uses):	<u>-</u>	<u>7,730</u>	<u>-</u>	<u>(7,730)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,978)</u>	<u>(2,978)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>14,440</u>	<u>14,440</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,462</u>	<u>11,462</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(6,694)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (9,672)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 200,000	327,201	309,209	(17,992)
Charges for Services	1,000	11,236	11,282	46
Total Revenues	<u>201,000</u>	<u>338,437</u>	<u>320,491</u>	<u>(17,946)</u>
Expenditures:				
Current:				
Food Services Operations	201,000	377,271	340,031	37,240
Total Expenditures	<u>201,000</u>	<u>377,271</u>	<u>340,031</u>	<u>37,240</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>(38,834)</u>	<u>(19,540)</u>	<u>19,294</u>
Other Financing Sources (Uses):				
Designated Cash	-	38,834	-	(38,834)
Total Other Financing Sources (Uses):	<u>-</u>	<u>38,834</u>	<u>-</u>	<u>(38,834)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(19,540)</u>	<u>(19,540)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>41,609</u>	<u>41,609</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>22,069</u>	<u>22,069</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (19,540)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 119,520	136,702	136,702	-
Total Revenues	<u>119,520</u>	<u>136,702</u>	<u>136,702</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	119,520	136,702	136,699	3
Total Expenditures	<u>119,520</u>	<u>136,702</u>	<u>136,699</u>	<u>3</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>3</u>	 <u>3</u>
 Cash or Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Cash or Fund Balances - End of Year	 <u>\$ -</u>	 <u>-</u>	 <u>3</u>	 <u>3</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
 NET CHANGE IN FUND BALANCE			 <u>\$ 3</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	48,555	48,555	-
Total Revenues	<u>-</u>	<u>48,555</u>	<u>48,555</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	48,555	48,555	-
Total Expenditures	<u>-</u>	<u>48,555</u>	<u>48,555</u>	<u>-</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
 NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 Fresh Fruit and Vegetables 24118
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	15,000	12,399	(2,601)
Total Revenues	<u>-</u>	<u>15,000</u>	<u>12,399</u>	<u>(2,601)</u>
Expenditures:				
Current:				
Food Services Operations	-	15,000	12,399	2,601
Total Expenditures	<u>-</u>	<u>15,000</u>	<u>12,399</u>	<u>2,601</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Risk Pool 24120
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	639	639	-
Total Revenues	<u>-</u>	<u>639</u>	<u>639</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	639	639	-
Total Expenditures	<u>-</u>	<u>639</u>	<u>639</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
 NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 English Language Acquisition 24153
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 14,442	17,193	17,193	-
Total Revenues	<u>14,442</u>	<u>17,193</u>	<u>17,193</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	14,442	17,193	17,193	-
Total Expenditures	<u>14,442</u>	<u>17,193</u>	<u>17,193</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 11,933	23,410	14,667	(8,743)
Total Revenues	<u>11,933</u>	<u>23,410</u>	<u>14,667</u>	<u>(8,743)</u>
Expenditures:				
Current:				
Instruction	11,933	20,410	14,542	5,868
Support Services:				
School Administration	-	3,000	125	2,875
Total Expenditures	<u>11,933</u>	<u>23,410</u>	<u>14,667</u>	<u>8,743</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(60)	
NET CHANGE IN FUND BALANCE			<u>\$ (60)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 Medicaid 0/2 Years 25152
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	15,031	20,435	5,404
Total Revenues	<u>-</u>	<u>15,031</u>	<u>20,435</u>	<u>5,404</u>
Expenditures:				
Current:				
Support Services:				
Students	-	15,031	15,031	-
Total Expenditures	<u>-</u>	<u>15,031</u>	<u>15,031</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>5,404</u>	<u>5,404</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>5,404</u>	<u>5,404</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,227</u>	<u>4,227</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>9,631</u>	<u>9,631</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(6,065)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (661)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Elementary & Middle School Initiative 26177
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	9,583	9,583	-
Total Expenditures	<u>-</u>	<u>9,583</u>	<u>9,583</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>(9,583)</u>	<u>(9,583)</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(9,583)</u>	<u>(9,583)</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(9,583)</u>	<u>(9,583)</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>9,843</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 260</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 New Mexico Reads 27114
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	48,256	48,256	-
Total Revenues	-	48,256	48,256	-
Expenditures:				
Current:				
Instruction	-	48,256	48,256	-
Total Expenditures	-	48,256	48,256	-
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 Pre-K Initiative 27149
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 120,000	210,000	169,826	(40,174)
Total Revenues	<u>120,000</u>	<u>210,000</u>	<u>169,826</u>	<u>(40,174)</u>
Expenditures:				
Current:				
Instruction	120,000	179,448	163,332	16,116
Support Services:				
Students	-	30,552	38,043	(7,491)
Total Expenditures	<u>120,000</u>	<u>210,000</u>	<u>201,375</u>	<u>8,625</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(31,549)</u>	<u>(31,549)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(31,549)</u>	<u>(31,549)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(31,549)</u>	<u>(31,549)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>31,528</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (21)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Breakfast For Elementary Students 27155
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	10,522	9,608	(914)
Total Revenues	<u>-</u>	<u>10,522</u>	<u>9,608</u>	<u>(914)</u>
Expenditures:				
Current:				
Food Services Operations	-	10,522	9,608	914
Total Expenditures	<u>-</u>	<u>10,522</u>	<u>9,608</u>	<u>914</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Kindergarten-Three Plus 27166
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 274,853	249,663	249,559	(104)
Total Revenues	<u>274,853</u>	<u>249,663</u>	<u>249,559</u>	<u>(104)</u>
Expenditures:				
Current:				
Instruction	174,482	177,290	177,187	103
Support Services:				
Students	27,403	40,511	40,512	(1)
School Administration	8,433	22,183	22,181	2
Student Transportation	57,430	7,500	7,500	-
Food Services Operations	4,105	2,179	2,179	-
Total Expenditures	<u>274,853</u>	<u>249,663</u>	<u>249,559</u>	<u>104</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 New Mexico Grown FVV 27183
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	591	591	-
Total Revenues	<u>-</u>	<u>591</u>	<u>591</u>	<u>-</u>
Expenditures:				
Current:				
Food Services Operations	-	591	591	-
Total Expenditures	<u>-</u>	<u>591</u>	<u>591</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 Next Generation Assessments 27185
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	10,702	5,836	(4,866)
Total Revenues	<u>-</u>	<u>10,702</u>	<u>5,836</u>	<u>(4,866)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	10,702	5,836	4,866
Total Expenditures	<u>-</u>	<u>10,702</u>	<u>5,836</u>	<u>4,866</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public School Capital Outlay 31200
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	216,435	216,435	-
Total Revenues	-	216,435	216,435	-
Expenditures:				
Capital Outlay	-	216,435	216,435	-
Total Expenditures	-	216,435	216,435	-
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 Special Capital Outlay-State 31400
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 425,000	511,209	448,094	(63,115)
Total Revenues	<u>425,000</u>	<u>511,209</u>	<u>448,094</u>	<u>(63,115)</u>
Expenditures:				
Current:				
Support Services:				
Capital Outlay	425,000	511,209	448,144	63,065
Total Expenditures	<u>425,000</u>	<u>511,209</u>	<u>448,144</u>	<u>63,065</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>(50)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(50)</u>	<u>(50)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(50)</u>	<u>(50)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (50)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Budgetary Comparisons - Budgetary Basis
 HB-33 Capital Improvements 31600
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ 147,849	147,849	175,496	27,647
Total Revenues	147,849	147,849	175,496	27,647
Expenditures:				
Current:				
Support Services:				
General Administration	1,478	1,478	-	1,478
Capital Outlay	146,371	146,371	141,270	5,101
Total Expenditures	147,849	147,849	141,270	6,579
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	-	-	34,226	34,226
Net Changes in Fund Balances	-	-	34,226	34,226
Cash or Fund Balances - Beginning of Year	-	-	144,396	144,396
Cash or Fund Balances - End of Year	\$ -	-	178,622	178,622
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(2,397)	
NET CHANGE IN FUND BALANCE			\$ 31,829	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 87,876	87,876	84,655	(3,221)
Total Revenues	<u>87,876</u>	<u>87,876</u>	<u>84,655</u>	<u>(3,221)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	879	879	-	879
Capital Outlay	86,997	86,997	46,039	40,958
Total Expenditures	<u>87,876</u>	<u>87,876</u>	<u>46,039</u>	<u>41,837</u>
<i>Excess (Deficiency) of Revenues over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>38,616</u>	<u>38,616</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>38,616</u>	<u>38,616</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>45,118</u>	<u>45,118</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>83,734</u>	<u>83,734</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			329	
NET CHANGE IN FUND BALANCE			<u>\$ 38,945</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	275,740
Less: FDIC Coverage:		<u>(275,740)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged collateral held by pledging financial institution:		-
Balance (Over) Under Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Promesa Early Learning Center
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>		
Checking - Operational Account Wells Fargo	\$	243,100
Checking - Operational Account Bank of America		22,066
Checking - Foundation		<u>10,574</u>
Total on Deposit		275,740
Reconciling Items		<u>(139,319)</u>
Reconciled Balance June 30, 2014		<u>136,421</u>
Total Cash	\$	<u><u>136,421</u></u>
As Reported on Financials		
Cash	\$	241,413
Bank Overdraft		<u>(104,992)</u>
Total	\$	<u><u>136,421</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Activity Fund 23000
Cash, June 30, 2013	\$ 151,534	7,730	41,609	10,268
Add:				
2013-14 Revenues	<u>2,771,914</u>	<u>28,964</u>	<u>320,491</u>	<u>24,456</u>
Total Cash Available	2,923,448	36,694	362,100	34,724
Less:				
2013-14 Expenditures	(2,929,998)	(31,926)	(340,033)	(37,179)
Receivables/Payables	195,277	(6,038)	4,599	(50)
Outstanding Loans	<u>(293,719)</u>	<u>-</u>	<u>(591)</u>	<u>2,505</u>
Cash June 30, 2014	<u>(104,992)</u>	<u>(1,270)</u>	<u>26,075</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>104,992</u>	<u>1,270</u>	<u>(2,775)</u>	<u>-</u>
Cash per Books	<u>-</u>	<u>-</u>	<u>23,300</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(39,241)</u>	<u>4,768</u>	<u>(4,008)</u>	<u>-</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ (39,241)</u>	<u>4,768</u>	<u>19,292</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Federal Direct 25000	Local Grants Fund 26000	State Flowthrough 27000	Public School Capital Outlay 31200	Special Capital Outlay State 31400
-	4,227	-	-	-	-
<u>230,155</u>	<u>20,435</u>	<u>9,583</u>	<u>483,676</u>	<u>216,435</u>	<u>448,094</u>
230,155	24,662	9,583	483,676	216,435	448,094
(230,152)	(15,031)	(9,583)	(515,226)	(216,435)	(448,144)
(47,125)	(6,065)	(9,526)	(148,273)	(54,108)	(5,791)
<u>-</u>	<u>-</u>	<u>9,526</u>	<u>179,823</u>	<u>54,108</u>	<u>5,841</u>
<u>(47,122)</u>	<u>3,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>47,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>3,566</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(60)</u>	<u>-</u>	<u>260</u>	<u>(21)</u>	<u>-</u>	<u>(50)</u>
<u>(60)</u>	<u>3,566</u>	<u>260</u>	<u>(21)</u>	<u>-</u>	<u>(50)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Promesa Early Learning Center
Cash Reconciliation (Continued)
June 30, 2014

	Capital Improv. HB 33 <u>31600</u>	Capital Improv. SB9 <u>31700</u>	<u>Total</u>
Cash, June 30, 2013	\$ 142,329	-	357,697
Add:			
2013-14 Revenues	<u>175,496</u>	<u>84,655</u>	<u>4,814,354</u>
Total Cash Available	317,825	84,655	5,172,051
Less:			
2013-14 Expenditures	(141,269)	(46,040)	(4,961,016)
Receivables/Payables	(3,661)	(1,650)	(82,411)
Outstanding Loans	<u>(5,887)</u>	<u>-</u>	<u>(48,394)</u>
Cash June 30, 2014	<u>167,008</u>	<u>36,965</u>	<u>80,230</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>150,609</u>
Cash per Books	<u>167,008</u>	<u>36,965</u>	<u>230,839</u>
		Foundation	<u>10,574</u>
			<u>\$ 241,413</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>9,217</u>	<u>1,980</u>	<u>(27,152)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 176,225</u>	<u>38,945</u>	<u>203,687</u>
		Foundation	<u>10,574</u>
			<u>\$ 214,261</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets:

Cash	\$ 43,319
Receivables	
Due from Other Governments	22,432
Total Current Assets	<u>65,751</u>
Total Assets	<u>65,751</u>

LIABILITIES

Current Liabilities:

Accounts Payable	97,868
Accrued Liabilities	29,585
Total Current Liabilities	<u>127,453</u>
Total Liabilities	<u>127,453</u>

NET POSITION

Restricted	5,106
Unrestricted (Deficit)	(66,808)
Total Net Position	<u>\$ (61,702)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 343,783	-	65,381	-	(278,402)
Support services:					
Students	31,543	-	-	-	(31,543)
Instruction	7,309	-	-	-	(7,309)
General Administration	13,307	-	-	-	(13,307)
School Administration	203,080	-	-	-	(203,080)
Central Services	79,944	-	-	-	(79,944)
Operation & Maintenance of Plant	144,129	-	-	-	(144,129)
Food Services	57,645	404	40,964	-	(16,277)
Facilities Materials, Supplies & Other Services	57,774	-	-	57,774	-
Total Governmental Activities	\$ 938,514	404	106,345	57,774	(773,991)
General Revenues:					
State Equalization Guarantee					\$ 703,802
Total General Revenues					703,802
Change in Net Position					(70,189)
Net Position, Beginning					8,487
Net Position, Ending					\$ (61,702)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 30,111	5,106	8,102	-	-
Accounts Receivable					
Due from Government	-	-	-	7,890	1,233
Due from Other Funds	22,526	-	-	-	-
<i>Total Assets</i>	<u>\$ 52,637</u>	<u>5,106</u>	<u>8,102</u>	<u>7,890</u>	<u>1,233</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 82,898	-	14,970	-	-
Accrued Expenditures	29,585	-	-	-	-
Due to Other Funds	-	-	-	7,890	1,233
Total Liabilities	<u>112,483</u>	<u>-</u>	<u>14,970</u>	<u>7,890</u>	<u>1,233</u>
Fund Balances (Deficit)					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	5,106	-	-	-
Unassigned (Deficit):	(59,846)	-	(6,868)	-	-
Total Fund Balance (Deficit)	<u>(59,846)</u>	<u>5,106</u>	<u>(6,868)</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ 52,637</u>	<u>5,106</u>	<u>8,102</u>	<u>7,890</u>	<u>1,233</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I - Federal Stimulus 24201	2010 SB-1 Student Library 27106	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	-	43,319
175	-	-	-	13,134	-	22,432
-	-	-	-	-	-	22,526
<u>175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,134</u>	<u>-</u>	<u>88,277</u>
-	-	-	-	-	-	97,868
-	-	-	-	-	-	29,585
<u>175</u>	<u>45</u>	<u>49</u>	<u>-</u>	<u>13,134</u>	<u>-</u>	<u>22,526</u>
<u>175</u>	<u>45</u>	<u>49</u>	<u>-</u>	<u>13,134</u>	<u>-</u>	<u>149,979</u>
-	-	-	-	-	-	5,106
<u>-</u>	<u>(45)</u>	<u>(49)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(66,808)</u>
<u>-</u>	<u>(45)</u>	<u>(49)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,702)</u>
<u>175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,134</u>	<u>-</u>	<u>88,277</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Reconciliation of the Balance Sheets - Governmental Funds
to Statement of Net Position
June 30, 2014**

Fund Balances - Total Governmental Funds	<u>\$ (61,702)</u>
Net Position-Total Governmental Activities	<u><u>\$ (61,702)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ 3,700	-	-	-	-
State grant	703,802	4,389	-	-	-
Federal grant	-	-	40,964	34,255	19,227
Charges for services	-	-	404	-	-
Total Revenues	<u>707,502</u>	<u>4,389</u>	<u>41,368</u>	<u>34,255</u>	<u>19,227</u>
Expenditures:					
Current:					
Instruction	283,687	4,089	-	34,255	19,227
Support Services:					
Students	31,543	-	-	-	-
Instruction	6,024	-	-	-	-
General Administration	13,307	-	-	-	-
School Administration	203,080	-	-	-	-
Central Services	79,944	-	-	-	-
Operation & Maintenance of Plant	144,129	-	-	-	-
Food Services Operations	21,844	-	35,801	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>783,558</u>	<u>4,089</u>	<u>35,801</u>	<u>34,255</u>	<u>19,227</u>
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	<u>(76,056)</u>	<u>300</u>	<u>5,567</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(76,056)</u>	<u>300</u>	<u>5,567</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>16,210</u>	<u>4,806</u>	<u>(12,435)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ (59,846)</u>	<u>5,106</u>	<u>(6,868)</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I - Federal Stimulus 24201	2010 SB-1 Student Library 27106	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	-	3,700
-	-	-	1,285	52,536	5,238	767,250
175	2,350	-	-	-	-	96,971
-	-	-	-	-	-	404
<u>175</u>	<u>2,350</u>	<u>-</u>	<u>1,285</u>	<u>52,536</u>	<u>5,238</u>	<u>868,325</u>
175	2,350	-	-	-	-	343,783
-	-	-	-	-	-	31,543
-	-	-	1,285	-	-	7,309
-	-	-	-	-	-	13,307
-	-	-	-	-	-	203,080
-	-	-	-	-	-	79,944
-	-	-	-	-	-	144,129
-	-	-	-	-	-	57,645
-	-	-	-	52,536	5,238	57,774
<u>175</u>	<u>2,350</u>	<u>-</u>	<u>1,285</u>	<u>52,536</u>	<u>5,238</u>	<u>938,514</u>
-	-	-	-	-	-	(70,189)
-	-	-	-	-	-	(70,189)
-	(45)	(49)	-	-	-	8,487
<u>-</u>	<u>(45)</u>	<u>(49)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,702)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change In Fund Balances-Total Governmental Funds \$ (70,189)

Change In Net Position-Total Governmental Activities \$ (70,189)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 616
Total Assets	<u>\$ 616</u>
LIABILITIES	
Deposits Held for Others	\$ 616
Total Liabilities	<u>\$ 616</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 616	-	-	616
Total Assets	<u>\$ 616</u>	<u>-</u>	<u>-</u>	<u>616</u>
LIABILITIES				
Deposits Held for Others	\$ 616	-	-	616
Total Liabilities	<u>\$ 616</u>	<u>-</u>	<u>-</u>	<u>616</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Notes to the Financial Statements
 June 30, 2014

NOTE 1. COMMITMENTS AND CONTINGENCIES

A. Leases

La Resolana Leadership Academy leased equipment under a long-term cancelable operating lease. Facilities were leased under a short-term cancelable operating lease. Expenses for the year ended June 30, 2014 were \$123,559.

Future minimum operating lease payments as of June 30, 2014 are as follows:

Year Ending June 30:		
2015	\$	123,426
2016		123,426
2017		123,426
2018		123,426
2019		123,426
Total operating lease payments	\$	617,130

NOTE 2. DEFICIT FUND EQUITY

The following funds had deficient fund balances at June 30, 2014:

Operational 11000	\$ (59,846)
Food Services 21000	\$ (6,868)
Teacher and Principal Training 24154	\$ (45)
Title 1 – Federal Stimulus 24201	\$ (49)

These deficits will be eliminated as revenues are expected to exceed expenditures in the next fiscal year.

NOTE 3. RELATED PARTIES

The business manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	-	3,700	3,700
State Grant	656,042	703,802	703,802	-
Total Revenues	656,042	703,802	707,502	3,700
Expenditures:				
Current:				
Instruction	209,047	298,889	283,144	15,745
Support Services:				
Students	20,884	18,739	18,738	1
Instruction	2,000	3,383	3,381	2
General Administration	16,342	1,846	1,845	1
School Administration	201,792	207,415	203,080	4,335
Central Services	70,487	65,250	65,249	1
Operation & Maintenance of Plant	135,490	118,574	118,112	462
Food Services Operations	-	22,473	21,844	629
Total Expenditures	656,042	736,569	715,393	21,176
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>-</i>	<i>(32,767)</i>	<i>(7,891)</i>	<i>24,876</i>
Other Financing Sources (Uses):				
Designated Cash	-	32,767	-	(32,767)
Total Other Financing Sources (Uses):	-	32,767	-	(32,767)
Net Changes in Fund Balances	-	-	(7,891)	(7,891)
Cash or Fund Balances - Beginning of Year	-	-	16,210	16,210
Cash or Fund Balances - End of Year	\$ -	-	8,319	8,319
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(68,165)	
NET CHANGE IN FUND BALANCE			\$ (76,056)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 4,117	4,117	6,153	2,036
Total Revenues	<u>4,117</u>	<u>4,117</u>	<u>6,153</u>	<u>2,036</u>
Expenditures:				
Current:				
Instruction	4,117	4,117	4,089	28
Total Expenditures	<u>4,117</u>	<u>4,117</u>	<u>4,089</u>	<u>28</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,064</u>	<u>2,064</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,064</u>	<u>2,064</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,806</u>	<u>4,806</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,870</u>	<u>6,870</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1,764)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 300</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	39,000	40,964	1,964
Charges for Services	-	403	404	1
Total Revenues	<u>-</u>	<u>39,403</u>	<u>41,368</u>	<u>1,965</u>
Expenditures:				
Current:				
Food Services Operations	-	39,403	23,226	16,177
Total Expenditures	<u>-</u>	<u>39,403</u>	<u>23,226</u>	<u>16,177</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>18,142</u>	<u>18,142</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>18,142</u>	<u>18,142</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(12,435)</u>	<u>(12,435)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,707</u>	<u>5,707</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(12,575)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 5,567</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal grant	\$ 23,990	32,710	34,255	1,545
Total Revenues	<u>23,990</u>	<u>32,710</u>	<u>34,255</u>	<u>1,545</u>
Expenditures:				
Current:				
Instruction	23,990	34,885	34,255	630
Total expenditures	<u>23,990</u>	<u>34,885</u>	<u>34,255</u>	<u>630</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,175)</u>	<u>-</u>	<u>2,175</u>
Other Financing Sources (Uses):				
Designated Cash	-	2,175	-	(2,175)
Total Other Financing Sources (Uses):	<u>-</u>	<u>2,175</u>	<u>-</u>	<u>(2,175)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	19,227	19,227	-
Total Revenues	<u>-</u>	<u>19,227</u>	<u>19,227</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	19,227	19,227	-
Total Expenditures	<u>-</u>	<u>19,227</u>	<u>19,227</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	175	175	-
Total Revenues	<u>-</u>	<u>175</u>	<u>175</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	175	175	-
Total Expenditures	<u>-</u>	<u>175</u>	<u>175</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 2,440	4,425	2,350	(2,075)
Total Revenues	<u>2,440</u>	<u>4,425</u>	<u>2,350</u>	<u>(2,075)</u>
Expenditures:				
Current:				
Instruction	2,440	4,425	2,350	2,075
Total Expenditures	<u>2,440</u>	<u>4,425</u>	<u>2,350</u>	<u>2,075</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(45)</u>	<u>(45)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(45)</u>	<u>(45)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I IASA - Federal Stimulus 24201
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(49)</u>	<u>(49)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(49)</u>	<u>(49)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 2010 Student Library Fund SB-1 27106
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	2,056	1,285	(771)
Total Revenues	<u>-</u>	<u>2,056</u>	<u>1,285</u>	<u>(771)</u>
Expenditures:				
Current:				
Support Services:	-	-		
Instruction	-	2,056	1,285	771
Total Expenditures	<u>-</u>	<u>2,056</u>	<u>1,285</u>	<u>771</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public School Capital Outlay 31200
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	52,536	52,536	-
Total Revenues	<u>-</u>	<u>52,536</u>	<u>52,536</u>	<u>-</u>
Expenditures:				
Current:				
Capital Outlay	-	52,536	52,536	-
Total Expenditures	<u>-</u>	<u>52,536</u>	<u>52,536</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 SB-9 Capital Improvements 31700
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 5,238	7,007	5,238	(1,769)
Total Revenues	<u>5,238</u>	<u>7,007</u>	<u>5,238</u>	<u>(1,769)</u>
Expenditures:				
Capital Outlay	5,238	7,007	5,238	1,769
Total Expenditures	<u>5,238</u>	<u>7,007</u>	<u>5,238</u>	<u>1,769</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Resolana Leadership Academy
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

Name of Depository	Security Type	CUSIP/ Security Number	Maturity Date	Fair Value June 30,2014
N/A	N/A	N/A	N/A	\$ -
				\$ -
				\$ -
Total Cash per Schedule of Cash Accounts:				\$ 44,235
Less: FDIC Coverage:				(44,235)
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held By Pledging Financial Institution:				-
Balance Under (Over) Collateralized:				\$ -
Balance Uninsured and Uncollateralized at June 30, 2014:				\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank, N.A.</u>
Checking - Operational Account	\$ 44,235
Total on Deposit	44,235
Reconciling Items	(300)
Reconciled Balance June 30, 2014	43,935
Less Agency Funds	(616)
Total Cash	\$ 43,319

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Resolana Leadership Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Projects Account 24000
Cash, June 30, 2013	\$ 16,210	4,806	(12,435)	(94)
Add:				
2013-14 Revenues	707,502	6,153	41,368	56,007
Total Cash Available	723,712	10,959	28,933	55,913
Less:				
2013-14 Expenditures	(715,393)	(4,089)	(23,226)	(56,007)
Receivables/Payables	44,318	(1,764)	-	(9,392)
Outstanding Loans	-	-	2,395	94
Cash June 30, 2014	52,637	5,106	8,102	(9,392)
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	(22,526)	-	-	9,392
Cash per Books	30,111	5,106	8,102	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	(89,957)	-	(14,970)	(94)
Fund Balance, Modified Accrual Basis	\$ (59,846)	5,106	(6,868)	(94)

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Student Activity Account 23000	Total
-	-	-	616	9,103
1,285	52,536	5,238	-	870,089
1,285	52,536	5,238	616	879,192
(1,285)	(52,536)	(5,238)	-	(857,774)
-	(13,134)	-	-	20,028
-	-	-	-	2,489
-	(13,134)	-	616	43,935
-	13,134	-	-	-
-	-	-	616	43,935
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:				616
Balance Sheets - Governmental Funds:				\$ 43,319
-	-	-	(616)	(105,637)
-	-	-	-	(61,702)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 91,350
Total Current Assets	<u>91,350</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	19,850
Furniture, Fixtures, and Equipment	7,845
Less: Accumulated Depreciation	<u>(3,352)</u>
Total Noncurrent Assets	<u>24,343</u>

Total Assets	<u>115,693</u>
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LIABILITIES

Current Liabilities:

Accrued Liabilities	<u>9,725</u>
Total Current Liabilities	<u>9,725</u>

NET POSITION

Investment in Capital Assets	24,343
Restricted	30,589
Unrestricted	<u>51,036</u>

Total Net Position	<u>\$ 105,968</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 387,764	-	89,370	33,822	(264,572)
Support services:					
Students	99,727	-	-	-	(99,727)
Instruction	2,152	-	-	-	(2,152)
General Administration	26,733	-	-	-	(26,733)
School Administration	132,583	-	-	-	(132,583)
Central Services	76,308	-	-	-	(76,308)
Operation & Maintenance of Plant	48,817	-	-	-	(48,817)
Community Services Operations	1,429	-	-	-	(1,429)
Student Transportation	29,750	-	-	-	(29,750)
Food Services	4,000	-	-	-	(4,000)
Facilities Materials, Supplies & Other Services	45,096	-	-	-	(45,096)
Total Governmental Activities	\$ 854,359	-	89,370	33,822	(731,167)
			General Revenues:		
			State Equalization Guarantee	\$ 646,251	
			Miscellaneous	119	
			Total general revenues	<u>646,370</u>	
			Change in Net Position		(84,797)
			Net position, Beginning		<u>190,765</u>
			Net position, Ending	\$	<u><u>105,968</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	IDEA-B 24106	Charter Schools 24146
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 60,761	10,494	9,307	-	-
Accounts Receivable					
Due from Other Funds	56,194	-	-	-	-
Total Assets	\$ 116,955	10,494	9,307	-	-
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accrued Expenses	\$ 9,725	-	-	-	-
Due to Other Funds	-	-	-	-	32,813
Total Liabilities	9,725	-	-	-	32,813
Fund Balances (Deficit)					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	-	9,307	-	-
Operation of Plant	-	-	-	-	-
Student Transportation	-	10,494	-	-	-
Community Service	-	-	-	-	-
Assigned to:					
Subsequent Year Expenditures and Other Programs	107,230	-	-	-	-
Unassigned (Deficit)	-	-	-	-	(32,813)
Total Fund Balance (Deficit)	107,230	10,494	9,307	-	(32,813)
Total Liabilities and fund balance (deficit)	\$ 116,955	10,494	9,307	-	-

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Conoco Phillips Grant 26200	NM Reads to Lead K-3 27114	Private Direct Grants 29102	City/County Grants 29107	Public School Capital Outlay 31200	Total
-	10,217	-	-	571	-	91,350
-	-	-	-	-	-	56,194
-	10,217	-	-	571	-	147,544
-	-	-	-	-	-	9,725
4,152	-	7,955	-	-	11,274	56,194
4,152	-	7,955	-	-	11,274	65,919
-	-	-	-	-	-	9,307
-	10,217	-	-	-	-	10,217
-	-	-	-	-	-	10,494
-	-	-	-	571	-	571
-	-	-	-	-	-	107,230
(4,152)	-	(7,955)	-	-	(11,274)	(56,194)
(4,152)	10,217	(7,955)	-	571	(11,274)	81,625
-	10,217	-	-	571	-	147,544

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 81,625**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	27,695	
Accumulated Depreciation	(3,352)	
		24,343

Net Position-Total Governmental Activities **\$ 105,968**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	IDEA-B 24106	Charter Schools 24146
Revenues:					
Local & County Grant	\$ -	-	-	-	-
State Grant	646,251	40,244	4,388	-	-
Federal Grant	-	-	-	15,234	-
Miscellaneous	119	-	-	-	-
Total Revenues	<u>646,370</u>	<u>40,244</u>	<u>4,388</u>	<u>15,234</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	336,333	-	708	-	40,813
Support Services:					
Students	66,792	-	-	15,234	-
Instruction	2,152	-	-	-	-
General Administration	26,733	-	-	-	-
School Administration	132,583	-	-	-	-
Central Services	75,202	-	-	-	-
Operation & Maintenance of Plant	45,727	-	-	-	-
Student Transportation	-	29,750	-	-	-
Food Services Operations	4,000	-	-	-	-
Community Service	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>689,522</u>	<u>29,750</u>	<u>708</u>	<u>15,234</u>	<u>40,813</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(43,152)</u>	<u>10,494</u>	<u>3,680</u>	<u>-</u>	<u>(40,813)</u>
Net Changes in Fund Balances	<u>(43,152)</u>	<u>10,494</u>	<u>3,680</u>	<u>-</u>	<u>(40,813)</u>
Fund Balances - Beginning of Year	<u>150,382</u>	<u>-</u>	<u>5,627</u>	<u>-</u>	<u>8,000</u>
Fund Balances (Deficit) - End of Year	<u>\$ 107,230</u>	<u>10,494</u>	<u>9,307</u>	<u>-</u>	<u>(32,813)</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Conoco Phillips Grant 26200	NM Reads to Lead K-3 27114	Private Direct Grants 29102	City/County Grants 29107	Public School Capital Outlay 31200	Total
-	12,000	-	1,000	-	-	13,000
-	-	14,504	-	2,000	33,822	741,209
-	-	-	-	-	-	15,234
-	-	-	-	-	-	119
-	12,000	14,504	1,000	2,000	33,822	769,562
4,152	-	4,758	1,000	-	-	387,764
-	-	17,701	-	-	-	99,727
-	-	-	-	-	-	2,152
-	-	-	-	-	-	26,733
-	-	-	-	-	-	132,583
-	-	-	-	-	-	75,202
-	1,783	-	-	-	-	47,510
-	-	-	-	-	-	29,750
-	-	-	-	-	-	4,000
-	-	-	-	1,429	-	1,429
-	-	-	-	-	45,096	45,096
4,152	1,783	22,459	1,000	1,429	45,096	851,946
(4,152)	10,217	(7,955)	-	571	(11,274)	(82,384)
(4,152)	10,217	(7,955)	-	571	(11,274)	(82,384)
-	-	-	-	-	-	164,009
(4,152)	10,217	(7,955)	-	571	(11,274)	81,625

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Tierra Montessori School for the Arts and Sciences
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
 For The Year Ended June 30, 2014

Net change in Fund Balances-Total Governmental Funds **\$ (82,384)**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	-	
Depreciation Expense	(2,413)	
	(2,413)	(2,413)

Change in Net Position-Total Governmental Activities **\$ (84,797)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 1,959
Total Assets	<u>\$ 1,959</u>
LIABILITIES	
Deposits Held for Others	\$ 1,959
Total Liabilities	<u>\$ 1,959</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 727	2,616	1,384	1,959
Total Assets	<u>\$ 727</u>	<u>2,616</u>	<u>1,384</u>	<u>1,959</u>
LIABILITIES				
Deposits Held for Others	\$ 727	2,616	1,384	1,959
Total Liabilities	<u>\$ 727</u>	<u>2,616</u>	<u>1,384</u>	<u>1,959</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. La Tierra Montessori School for the Arts and Sciences (La Tierra) defines capital assets as assets with an initial, individual cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture, Fixtures and Equipment	7 years
Buildings and Improvements	15 years

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 7,845	-	-	7,845
Building and Improvements	19,850	-	-	19,850
<i>Total</i>	<u>27,695</u>	<u>-</u>	<u>-</u>	<u>27,695</u>
<i>Less: Accumulated Depreciation</i>	(939)	(2,413)	-	(3,352)
Capital assets, net	<u>\$ 26,756</u>	<u>(2,413)</u>	<u>-</u>	<u>24,343</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Central Services	\$ 1,106
Operations/Plant Maintenance	<u>1,307</u>
Total	<u>\$ 2,413</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 La Tierra Montessori School for the Arts and Sciences
 Notes to the Financial Statements
 June 30, 2014

NOTE 3. COMMITMENTS AND LIABILITIES

La Tierra leased buildings and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$45,096. La Tierra’s minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 60,000
2016	72,000
2017	72,000
2018	72,000
2019	72,000
2020- 2024	360,000
2025- 2026	84,000
Total minimum lease payments	\$ <u>792,000</u>

NOTE 4. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

24146 Charter Schools	\$ (32,813)
24154 Teacher Principal Training	(4,152)
27114 NM Reads to Lead K-3	(7,955)
31200 Public School Capital Outlay	\$ (11,274)

La Tierra is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. RELATED PARTY TRANSACTIONS

The Business Manager is also the Business Manager of Taos Integrated School of Arts, Taos Academy, McCurdy Charter School, and Dream Dine’ Charter School.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 719,159	646,251	658,185	11,934
Miscellaneous	-	-	119	119
Total Revenues	<u>719,159</u>	<u>646,251</u>	<u>658,304</u>	<u>12,053</u>
Expenditures:				
Current:				
Instruction	316,537	346,016	336,333	9,683
Support Services:				
Students	64,025	76,755	66,792	9,963
Instruction	1,500	15,691	2,152	13,539
General Administration	23,302	25,979	25,979	-
School Administration	139,468	149,776	132,583	17,193
Central Services	78,750	79,583	75,202	4,381
Operation & Maintenance of Plant	95,577	107,421	82,381	25,040
Food Services Operations	-	12,875	4,000	8,875
Total Expenditures	<u>719,159</u>	<u>814,096</u>	<u>725,422</u>	<u>88,674</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(167,845)</u>	<u>(67,118)</u>	<u>100,727</u>
Other Financing Sources (Uses):				
Designated Cash	-	167,845	-	(167,845)
Total Other Financing Sources (Uses):	<u>-</u>	<u>167,845</u>	<u>-</u>	<u>(167,845)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(67,118)</u>	<u>(67,118)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>127,879</u>	<u>127,879</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>60,761</u>	<u>60,761</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(11,934)	
Adjustments to Expenditures			35,900	
NET CHANGE IN FUND BALANCE			<u>\$ (43,152)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 29,750	40,244	40,244	-
Total Revenues	<u>29,750</u>	<u>40,244</u>	<u>40,244</u>	<u>-</u>
Expenditures:				
Current:				
Student Transportation	29,750	40,244	29,750	10,494
Total Expenditures	<u>29,750</u>	<u>40,244</u>	<u>29,750</u>	<u>10,494</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>10,494</u>	<u>10,494</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>10,494</u>	<u>10,494</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,494</u>	<u>10,494</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 10,494</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,968	4,388	5,461	1,073
Total Revenues	<u>3,968</u>	<u>4,388</u>	<u>5,461</u>	<u>1,073</u>
Expenditures:				
Current:				
Instruction	3,968	10,015	708	9,307
Total Expenditures	<u>3,968</u>	<u>10,015</u>	<u>708</u>	<u>9,307</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(5,627)</u>	<u>4,753</u>	<u>10,380</u>
Other Financing Sources (Uses):				
Designated Cash	-	5,627	-	(5,627)
Total Other Financing Sources (Uses):	<u>-</u>	<u>5,627</u>	<u>-</u>	<u>(5,627)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,753</u>	<u>4,753</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,554</u>	<u>4,554</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>9,307</u>	<u>9,307</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1,073)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 3,680</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 15,234	16,229	31,827	15,598
Total Revenues	<u>15,234</u>	<u>16,229</u>	<u>31,827</u>	<u>15,598</u>
Expenditures:				
Current:				
Support Services:				
Students	15,234	16,229	15,234	995
Total Expenditures	<u>15,234</u>	<u>16,229</u>	<u>15,234</u>	<u>995</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>16,593</u>	<u>16,593</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>16,593</u>	<u>16,593</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>16,593</u>	<u>16,593</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(16,593)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Schools 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	32,813	49,959	17,146
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>32,813</u>	<u>49,959</u>	<u>17,146</u>
Expenditures:				
Current:				
Instruction	-	32,813	32,813	-
Total Expenditures	<u>-</u>	<u>32,813</u>	<u>32,813</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>17,146</u>	<u>17,146</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>17,146</u>	<u>17,146</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,146</u>	<u>17,146</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(49,959)	
Adjustments to Expenditures			<u>(8,000)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (40,813)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 2,717	7,441	-	(7,441)
Total Revenues	<u>2,717</u>	<u>7,441</u>	<u>-</u>	<u>(7,441)</u>
Expenditures:				
Current:				
Instruction	2,717	7,441	-	7,441
Total Expenditures	<u>2,717</u>	<u>7,441</u>	<u>-</u>	<u>7,441</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(4,152)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (4,152)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Conoco Phillips Grant 26200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	12,000	12,000	-
Total Revenues	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Expenditures:				
Current:				
Operation & Maintenance of Plant	-	12,000	1,783	10,217
Total Expenditures	<u>-</u>	<u>12,000</u>	<u>1,783</u>	<u>10,217</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>10,217</u>	<u>10,217</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>10,217</u>	<u>10,217</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,217</u>	<u>10,217</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 10,217</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
NM Reads to Lead K-3 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	22,933	14,504	(8,429)
Total Revenues	<u>-</u>	<u>22,933</u>	<u>14,504</u>	<u>(8,429)</u>
Expenditures:				
Current:				
Instruction	-	22,933	(3,197)	26,130
Total Expenditures	<u>-</u>	<u>22,933</u>	<u>14,504</u>	<u>8,429</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(7,955)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (7,955)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	1,000	1,000	-
Total Revenues	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	1,000	1,000	-
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
City/County Grants 29107
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	2,000	2,000	-
Total Revenues	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Expenditures:				
Current:				
Community Service Operations		2,000	1,429	571
Total Expenditures	<u>-</u>	<u>2,000</u>	<u>1,429</u>	<u>571</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>571</u>	<u>571</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>571</u>	<u>571</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>571</u>	<u>571</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 571</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	45,507	35,289	(10,218)
Total Revenues	<u>-</u>	<u>45,507</u>	<u>35,289</u>	<u>(10,218)</u>
Expenditures:				
Current:				
Capital Outlay	-	45,507	35,289	10,218
Total Expenditures	<u>-</u>	<u>45,507</u>	<u>35,289</u>	<u>10,218</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,467)	
Adjustments to Expenditures			<u>(9,807)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (11,274)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	128,637
Less: FDIC Coverage:		<u>(128,637)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over (Under) Collateralized:	\$	<u>-</u>
Balance uninsured and uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Los Alamos National Bank</u>
Checking - Operational Account	\$ 128,637
<i>Total on Deposit</i>	128,637
Reconciling Items	<u>(35,328)</u>
Reconciled Balance June 30, 2014	<u>93,309</u>
Less Agency Funds	<u>(1,959)</u>
<i>Total Cash</i>	<u><u>\$ 91,350</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
La Tierra Montessori School for the Arts and Sciences
Cash Reconciliation
June 30, 2014

	<u>Operational 11000</u>	<u>Transportation 13000</u>	<u>Instructional Materials 14000</u>
Cash, June 30, 2013	\$ 127,879	-	4,554
Add:			
2013-14 Revenues	<u>658,304</u>	<u>40,244</u>	<u>5,461</u>
Total Cash Available	786,183	40,244	10,015
Less:			
2013-14 Expenditures	(725,422)	(29,750)	(708)
Receivables/Payables	-	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>60,761</u>	<u>10,494</u>	<u>9,307</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>60,761</u>	<u>10,494</u>	<u>9,307</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	46,469	-	-
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 107,230</u>	<u>10,494</u>	<u>9,307</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Local Grants 26000	State Flowthrough 27000	Local or State Fund 29000	Public School Capital Outlay 31200	Total
-	-	-	-	-	132,433
81,786	12,000	14,504	3,000	35,289	850,588
81,786	12,000	14,504	3,000	35,289	983,021
(48,047)	(1,783)	(14,504)	(2,429)	(35,289)	(857,932)
-	-	-	-	-	-
-	-	-	-	-	-
33,739	10,217	-	571	-	125,089
(33,739)	-	-	-	-	(33,739)
-	10,217	-	571	-	91,350
(36,965)	-	(7,955)	-	(11,274)	(9,725)
(36,965)	10,217	(7,955)	571	(11,274)	81,625

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	521,383
Receivables		
Due from Other Governments		43,441
Other		986
Total Current Assets		<u>565,810</u>

Noncurrent Assets:

Capital Assets		
Furniture, Fixtures, and Equipment		173,100
Less: Accumulated Depreciation		<u>(69,240)</u>
Total Noncurrent Assets		<u>103,860</u>
Total Assets		<u>669,670</u>

LIABILITIES

Current Liabilities:

Accounts Payable		2,557
Accrued Liabilities		<u>71,649</u>
Total Current Liabilities		<u>74,206</u>
Total Liabilities		<u>74,206</u>

NET POSITION

Investment in Capital Assets		103,860
Restricted		17,851
Unrestricted		<u>473,753</u>
Total Net Position	\$	<u>595,464</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Activities
For The Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Instruction	\$ 1,039,970	1,290	78,836	-	(959,844)
Support Services:					
Students	301,159	-	-	-	(301,159)
Instruction	62,744	-	-	-	(62,744)
General Administration	32,507	-	-	-	(32,507)
School Administration	143,788	-	-	-	(143,788)
Central Services	155,543	-	-	-	(155,543)
Operation & Maintenance of Plant	48,628	-	-	-	(48,628)
Facilities Materials, Supplies & Other Services	96,982	-	-	96,982	-
Total Governmental Activities	<u>\$ 1,881,321</u>	<u>1,290</u>	<u>78,836</u>	<u>96,982</u>	<u>(1,704,213)</u>
			General Revenues:		
			State Equalization Guarantee	\$ 1,637,298	
			Total General Revenues	<u>1,637,298</u>	
			Change in Net Position		(66,915)
			Net Position, Beginning		<u>662,379</u>
			Net Position, Ending	\$ <u>595,464</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	Teacher Principal Training 24154
ASSETS				
Cash and Cash Equivalents	\$ 503,532	17,851	-	-
Accounts Receivable				
Due from Government	-	-	5,165	532
Due from Other Funds	43,441	-	-	-
Other	986	-	-	-
Total Assets	\$ 547,959	17,851	5,165	532
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,557	-	-	-
Accrued Expenses	71,649	-	-	-
Due to Other Funds	-	-	5,165	532
Total Liabilities	74,206	-	5,165	532
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	17,851	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	473,753	-	-	-
Total Fund Balance	473,753	17,851	-	-
Total Liabilities and Fund Balances	\$ 547,959	17,851	5,165	532

The accompanying notes are an integral part of these financial statements

Dual Credit Instructional Materials 27103	2010 GOB Instructional Materials 27171	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	521,383
16,462	-	21,282	-	43,441
-	-	-	-	43,441
-	-	-	-	986
<u>16,462</u>	<u>-</u>	<u>21,282</u>	<u>-</u>	<u>609,251</u>
-	-	-	-	2,557
-	-	-	-	71,649
16,462	-	21,282	-	43,441
<u>16,462</u>	<u>-</u>	<u>21,282</u>	<u>-</u>	<u>117,647</u>
-	-	-	-	17,851
-	-	-	-	473,753
-	-	-	-	491,604
<u>16,462</u>	<u>-</u>	<u>21,282</u>	<u>-</u>	<u>609,251</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 THE MASTERS PROGRAM
 Reconciliation of the Balance Sheet of Government Funds to
 The Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 491,604**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	173,100	
Accumulated Depreciation	(69,240)	
	103,860	103,860

Net Position-Total Governmental Activities **\$ 595,464**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	Teacher Principal Training 24154
Revenues:				
Local & County Grant	\$ 264	-	-	-
State Grant	1,637,298	10,734	-	-
Federal Grant	-	-	25,566	4,532
Charges for Services	1,290	-	-	-
Total Revenues	<u>1,638,852</u>	<u>10,734</u>	<u>25,566</u>	<u>4,532</u>
Expenditures:				
Current:				
Instruction	953,972	9,705	92	3,841
Support Services:				
Students	275,685	-	25,474	-
Instruction	62,744	-	-	-
General Administration	32,507	-	-	-
School Administration	143,097	-	-	691
Central Services	155,543	-	-	-
Operation & Maintenance of Plant	48,628	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>1,672,176</u>	<u>9,705</u>	<u>25,566</u>	<u>4,532</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(33,324)</u>	<u>1,029</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(33,324)</u>	<u>1,029</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>507,077</u>	<u>16,822</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 473,753</u>	<u>17,851</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Dual Credit Instructional Materials 27103	2010 GOB Instructional Materials 27171	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	264
31,833	5,907	91,486	5,496	1,782,754
-	-	-	-	30,098
-	-	-	-	1,290
<u>31,833</u>	<u>5,907</u>	<u>91,486</u>	<u>5,496</u>	<u>1,814,406</u>
31,833	5,907	-	-	1,005,350
-	-	-	-	301,159
-	-	-	-	62,744
-	-	-	-	32,507
-	-	-	-	143,788
-	-	-	-	155,543
-	-	-	-	48,628
-	-	91,486	5,496	96,982
<u>31,833</u>	<u>5,907</u>	<u>91,486</u>	<u>5,496</u>	<u>1,846,701</u>
-	-	-	-	(32,295)
-	-	-	-	(32,295)
-	-	-	-	523,899
-	-	-	-	491,604

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (32,295)**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 depreciation exceeds capital outlay for the period.

Capital Outlay	-		
Depreciation Expense	(34,620)		(34,620)

Change in Net Position-Total Governmental Activities **\$ (66,915)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 8,615</u>
Total Assets	<u><u>\$ 8,615</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 8,615</u>
Total Liabilities	<u><u>\$ 8,615</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 7,968	7,940	7,293	8,615
Total Assets	<u>\$ 7,968</u>	<u>7,940</u>	<u>7,293</u>	<u>8,615</u>
LIABILITIES				
Deposits Held for Others	\$ 7,968	7,940	7,293	8,615
Total Liabilities	<u>\$ 7,968</u>	<u>7,940</u>	<u>7,293</u>	<u>8,615</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Masters Program
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Masters Program’s (MP) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The MP does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The MP utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Computer equipment and business machines	5 years
General equipment and musical instruments	8 years
Furniture, major appliances, and large equipment	10 years

Capital assets for the MP are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures, and Equipment	\$ 173,100	-	-	173,100
<i>Total</i>	<u>173,100</u>	-	-	<u>173,100</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures, and Equipment	(34,620)	(34,620)	-	(69,240)
<i>Total</i>	<u>(34,620)</u>	<u>(34,620)</u>	-	<u>(69,240)</u>
Net Fixed Assets	\$ <u>138,480</u>	<u>(34,620)</u>	-	<u>103,860</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Masters Program
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	34,620
Total	\$	<u>34,620</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The MP leased facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$110,560. The MP has a minimum future lease obligation in the amount of \$110,560 for the year ended June 30, 2015.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Local & County Grant	\$ -	-	25,658	25,658
State Grant	1,549,803	1,637,298	1,637,298	-
Charges for Services	-	-	1,290	1,290
Total Revenues	1,549,803	1,637,298	1,664,246	26,948
Expenditures:				
Current:				
Instruction	1,099,312	1,152,724	958,626	194,098
Support Services:				
Students	285,373	323,004	275,685	47,319
Instruction	57,728	81,628	62,655	18,973
General Administration	69,690	74,890	32,507	42,383
School Administration	166,593	176,393	143,303	33,090
Central Services	150,009	165,459	153,075	12,384
Operation & Maintenance of Plant	177,725	159,725	48,628	111,097
Total Expenditures	2,006,430	2,133,823	1,674,479	459,344
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(456,627)</i>	<i>(496,525)</i>	<i>(10,233)</i>	<i>486,292</i>
Other financing sources (uses):				
Operating Transfers	-	-	-	-
Designated Cash	456,627	496,525	-	(496,525)
Total Other Financing Sources (Uses):	456,627	496,525	-	(496,525)
Net Changes in Fund Balances	-	-	(10,233)	(10,233)
Cash or Fund balances - Beginning of Year	-	-	486,533	486,533
Cash or Fund Balances - End of Year	\$ -	-	476,300	476,300
Reconciliation to GAAP Basis:				
Adjustments to Revenues			25,394	
Adjustments to Expenditures			(48,485)	
NET CHANGE IN FUND BALANCE			\$ (33,324)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 8,341	10,900	13,292	2,392
Total Revenues	<u>8,341</u>	<u>10,900</u>	<u>13,292</u>	<u>2,392</u>
Expenditures:				
Current:				
Instruction	22,493	25,052	9,705	15,347
Total Expenditures	<u>22,493</u>	<u>25,052</u>	<u>9,705</u>	<u>15,347</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(14,152)</u>	<u>(14,152)</u>	<u>3,587</u>	<u>17,739</u>
Other Financing Sources (Uses):				
Designated Cash	14,152	14,152	-	(14,152)
Total Other Financing Sources (Uses):	<u>14,152</u>	<u>14,152</u>	<u>-</u>	<u>(14,152)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,587</u>	<u>3,587</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>14,264</u>	<u>14,264</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,851</u>	<u>17,851</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(2,558)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,029</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 27,037	57,057	20,401	(36,656)
Charges for Services	-	-	-	-
Total Revenues	<u>27,037</u>	<u>57,057</u>	<u>20,401</u>	<u>(36,656)</u>
Expenditures:				
Current:				
Instruction	3,000	5,000	92	4,908
Support Services:				
Students	24,037	52,057	25,474	26,583
Total Expenditures	<u>27,037</u>	<u>57,057</u>	<u>25,566</u>	<u>31,491</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(5,165)	(5,165)
Net Changes in Fund Balances	-	-	(5,165)	(5,165)
Cash or Fund balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,165)</u>	<u>(5,165)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,165	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 THE MASTERS PROGRAM
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 4,321	4,532	8,725	4,193
Total Revenues	<u>4,321</u>	<u>4,532</u>	<u>8,725</u>	<u>4,193</u>
Expenditures:				
Current:				
Instruction	3,841	3,841	3,841	-
School Administration	480	691	691	-
Total Expenditures	<u>4,321</u>	<u>4,532</u>	<u>4,532</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,193</u>	<u>4,193</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,193</u>	<u>4,193</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(4,725)</u>	<u>(4,725)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(532)</u>	<u>(532)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(4,193)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 THE MASTERS PROGRAM
 Schedule of Budgetary Comparisons - Budgetary Basis
 Dual Credit Instructional Materials 27103
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	31,833	15,371	(16,462)
Total Revenues	<u>-</u>	<u>31,833</u>	<u>15,371</u>	<u>(16,462)</u>
Expenditures:				
Current:				
Instruction	-	31,833	31,833	-
Total Expenditures	<u>-</u>	<u>31,833</u>	<u>31,833</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(16,462)</u>	<u>(16,462)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(16,462)</u>	<u>(16,462)</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(16,462)</u>	<u>(16,462)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			16,462	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GOB Instructional Materials 27171
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 5,907	5,907	5,907	-
Total Revenues	<u>5,907</u>	<u>5,907</u>	<u>5,907</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	5,907	5,907	5,907	-
Total Expenditures	<u>5,907</u>	<u>5,907</u>	<u>5,907</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	91,486	70,204	(21,282)
Total Revenues	<u>-</u>	<u>91,486</u>	<u>70,204</u>	<u>(21,282)</u>
Expenditures:				
Current:				
Capital Outlay	-	91,486	91,486	-
Total Expenditures	<u>-</u>	<u>91,486</u>	<u>91,486</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(21,282)	(21,282)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(21,282)</u>	<u>(21,282)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(27,640)</u>	<u>(27,640)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(48,922)</u>	<u>(48,922)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			21,282	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 5,891	5,891	5,496	(395)
Total Revenues	<u>5,891</u>	<u>5,891</u>	<u>5,496</u>	<u>(395)</u>
Expenditures:				
Current:				
Capital Outlay	5,891	5,891	5,496	395
Total Expenditures	<u>5,891</u>	<u>5,891</u>	<u>5,496</u>	<u>395</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Collateral Pledged by Depository for Public Schools
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo Bank, N.A.	FN AR2636	3138NY4W2	2/1/2043	\$ 73,778
Wells Fargo Bank, N.A.	FN AR9198	3138W7GG3	3/1/2043	129,893
				<u>\$ 203,671</u>

Total Cash per Schedule of Cash Accounts:	\$ 601,422
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	351,422
Collateral requirement:	175,711
Pledged collateral held by pledging financial institution:	203,671
Balance Over Collateralized:	<u>27,960</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ 147,751</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank, N.A.</u>
Checking - Operational Account	\$ 601,422
<i>Total on Deposit</i>	601,422
Reconciling Items	<u>(71,424)</u>
Reconciled Balance June 30, 2014	<u>529,998</u>
Less: Agency Funds	<u>(8,615)</u>
<i>Total Cash</i>	<u><u>\$ 521,383</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE MASTERS PROGRAM
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Federal Pass through Account 24000
Cash, June 30, 2013	\$ 486,533	16,822	(4,725)
Add:			
2013-14 Revenues	<u>1,664,246</u>	<u>13,292</u>	<u>29,126</u>
Total Cash Available	2,150,779	30,114	24,401
Less:			
2013-14 Expenditures	(1,674,479)	(9,705)	(30,098)
Receivables/Payables	<u>70,673</u>	<u>(2,558)</u>	<u>-</u>
Cash June 30, 2014	<u>546,973</u>	<u>17,851</u>	<u>(5,697)</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>(43,441)</u>	<u>-</u>	<u>5,697</u>
Cash Per Books	<u>503,532</u>	<u>17,851</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>(29,779)</u>	<u>-</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 473,753</u>	<u>17,851</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

State Flow Through Fund 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Non-Instructional Account 23000	Total
-	(27,640)	-	7,968	478,958
<u>21,278</u>	<u>70,204</u>	<u>5,496</u>	<u>7,940</u>	<u>1,811,582</u>
21,278	42,564	5,496	15,908	2,290,540
(37,740)	(91,486)	(5,496)	(7,293)	(1,856,297)
<u>-</u>	<u>27,640</u>	<u>-</u>	<u>-</u>	<u>95,755</u>
<u>(16,462)</u>	<u>(21,282)</u>	<u>-</u>	<u>8,615</u>	<u>529,998</u>
<u>16,462</u>	<u>21,282</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,615</u>	<u>529,998</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:				<u>(8,615)</u>
Balance Sheets - Governmental Funds:				<u>\$ 521,383</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,615)</u>	<u>(38,394)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>491,604</u>

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME VII



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
VOLUME TABLE OF CONTENTS**

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 300
Receivables	
Due from Other Governments	212,252
Total Current Assets	<u>212,552</u>
Total Assets	<u>212,552</u>

LIABILITIES

Current Liabilities:

Cash Overdraft	93,286
Accounts Payable	272,103
Accrued Liabilities	60,839
Total Current Liabilities	<u>426,228</u>
Total Liabilities	<u>426,228</u>

NET POSITION

Restricted	(315,525)
Unrestricted	101,849
Total Net Position	<u>\$ (213,676)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,356,689	-	707,618	-	(1,649,071)
Support Services:					
Students	303,878	-	-	-	(303,878)
General Administration	166,603	39,490	-	-	(127,113)
School Administration	369,678	-	-	-	(369,678)
Central Services	253,924	-	-	-	(253,924)
Operation & Maintenance of Plant	442,771	-	-	-	(442,771)
Other support services	1,764	-	-	-	(1,764)
Student Transportation	71	-	-	-	(71)
Food Services	148,966	17,780	119,124	-	(12,062)
Facilities Materials, Supplies & Other Services	464,428	-	-	495,777	31,349
Total Governmental Activities	\$ 4,508,772	57,270	826,742	495,777	(3,128,983)
			General Revenues:		
			State Equalization Guarantee	\$ 3,156,382	
			Miscellaneous	190,942	
			Total General Revenues	<u>3,347,324</u>	
			Change in Net Position		218,341
			Net Position-Beginning		(299,131)
			Restatement (Note 4)		<u>(132,886)</u>
			Net Position - Beginning, Restated		<u>(432,017)</u>
			Net Position-Ending	\$	<u>(213,676)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Athletics 22000
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 300	-	-	-
Accounts Receivable				
Due from Government	-	9,076	-	-
Due from Other Funds	395,187	-	-	-
Total Assets	\$ 395,487	9,076	-	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 147,530	-	83,618	7,923
Accrued Expenses	52,822	-	-	-
Due to Other Funds	-	-	1,713	82,326
Cash Overdraft	93,286	-	-	-
Total Liabilities	293,638	-	85,331	90,249
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Restricted for:				
Instruction	-	9,076	(85,331)	(90,249)
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	101,849	-	-	-
Total Fund Balance (Deficit)	101,849	9,076	(85,331)	(90,249)
Total Liabilities and Fund Balance (Deficit)	\$ 395,487	9,076	-	-

The accompanying notes are an integral part of these financial statements

Title I - IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Charter Schools 24146	English Language Acquisition 24153	Teacher Principal Training 24154
-	-	-	-	-	-
44,476	11,301	846	-	-	14,770
-	-	-	-	-	-
<u>44,476</u>	<u>11,301</u>	<u>846</u>	<u>-</u>	<u>-</u>	<u>14,770</u>
1,559	31,405	-	68	-	-
6,307	914	-	-	-	687
35,672	19,061	846	120,199	-	14,083
-	-	-	-	-	-
<u>43,538</u>	<u>51,380</u>	<u>846</u>	<u>120,267</u>	<u>-</u>	<u>14,770</u>
938	(40,079)	-	(120,267)	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>938</u>	<u>(40,079)</u>	<u>-</u>	<u>(120,267)</u>	<u>-</u>	<u>-</u>
<u>44,476</u>	<u>11,301</u>	<u>846</u>	<u>-</u>	<u>-</u>	<u>14,770</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	LANL Foundation 26113	Daniels Fund 26141	Dual Credit Instuational Materials 27103	Literacy For Children at Risk 27107
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ -	-	-	-
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	-	-	-	-
Total Assets	\$ -	-	-	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	-
Accrued Expenses	-	-	-	-
Due to Other Funds	-	-	540	863
Cash Overdraft	-	-	-	-
Total Liabilities	-	-	540	863
<i>Fund Balances (Deficit)</i>				
Fund Balance:				
Restricted for:				
Instruction	-	-	(540)	(863)
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	-
Total Fund Balance (Deficit)	-	-	(540)	(863)
Total Liabilities and Fund Balance (Deficit)	\$ -	-	-	-

The accompanying notes are an integral part of these financial statements

NM Grown FW 27183	Private Dir Grants 29102	Public School Capital Outlay 31200	Special Capital Outlay-State 31400	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	300
300	5,034	6,865	100,000	19,584	212,252
-	-	-	-	-	395,187
<u>300</u>	<u>5,034</u>	<u>6,865</u>	<u>100,000</u>	<u>19,584</u>	<u>607,739</u>
-	-	-	-	-	272,103
-	109	-	-	-	60,839
300	-	-	100,000	19,584	395,187
-	-	-	-	-	93,286
<u>300</u>	<u>109</u>	<u>-</u>	<u>100,000</u>	<u>19,584</u>	<u>821,415</u>
-	4,925	-	-	-	(322,390)
-	-	6,865	-	-	6,865
-	-	-	-	-	101,849
-	4,925	6,865	-	-	(213,676)
<u>300</u>	<u>5,034</u>	<u>6,865</u>	<u>100,000</u>	<u>19,584</u>	<u>607,739</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
Governmental Funds
June 30, 2014

Fund Balances - Total Governmental Funds	<u>\$ (213,676)</u>
Net Position-Total Governmental Activities	<u>\$ (213,676)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Athletics 22000
Revenues:				
State Grant	\$ 3,156,382	34,619	-	-
Federal Grant	-	-	119,124	-
Charges for Services	3,954	-	-	35,536
Miscellaneous	67,018	-	17,780	74,514
Total Revenues	<u>3,227,354</u>	<u>34,619</u>	<u>136,904</u>	<u>110,050</u>
Expenditures:				
Current:				
Instruction	1,730,761	27,024	-	200,299
Support Services:				
Students	143,513	-	-	-
General Administration	166,603	-	-	-
School Administration	369,678	-	-	-
Central Services	253,924	-	-	-
Operation & Maintenance of Plant	440,701	-	-	-
Student Transportation	71	-	-	-
Other Support Services Operations	1,764	-	-	-
Food Services Operations	-	-	148,666	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>3,107,015</u>	<u>27,024</u>	<u>148,666</u>	<u>200,299</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>120,339</u>	<u>7,595</u>	<u>(11,762)</u>	<u>(90,249)</u>
Net Changes in Fund Balances	<u>120,339</u>	<u>7,595</u>	<u>(11,762)</u>	<u>(90,249)</u>
Fund Balances(Deficit) - Beginning of Year	<u>10,170</u>	<u>1,481</u>	<u>(31,782)</u>	<u>-</u>
Restatement (Note 4)	<u>(28,660)</u>	<u>-</u>	<u>(41,787)</u>	<u>-</u>
Fund Balances (Deficit)- Restated	<u>(18,490)</u>	<u>1,481</u>	<u>(73,569)</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 101,849</u>	<u>9,076</u>	<u>(85,331)</u>	<u>(90,249)</u>

The accompanying notes are an integral part of these financial statements

Title I - IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Charter Schools 24146	English Language Acquisition 24153	Teacher Principal Training 24154
-	-	-	-	-	-
201,800	186,511	1,023	248,521	1,668	32,484
-	-	-	-	-	-
-	-	-	27	-	-
<u>201,800</u>	<u>186,511</u>	<u>1,023</u>	<u>248,548</u>	<u>1,668</u>	<u>32,484</u>
169,772	66,225	1,023	91,982	1,668	32,484
-	160,365	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>169,772</u>	<u>226,590</u>	<u>1,023</u>	<u>91,982</u>	<u>1,668</u>	<u>32,484</u>
<u>32,028</u>	<u>(40,079)</u>	<u>-</u>	<u>156,566</u>	<u>-</u>	<u>-</u>
<u>32,028</u>	<u>(40,079)</u>	<u>-</u>	<u>156,566</u>	<u>-</u>	<u>-</u>
-	-	-	(276,833)	-	-
(31,090)	-	-	-	-	-
(31,090)	-	-	(276,833)	-	-
<u>938</u>	<u>(40,079)</u>	<u>-</u>	<u>(120,267)</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds (continued)
For The Year Ended June 30, 2014

	LANL Foundation 26113	Daniels Fund 26141	Dual Credit Instuotional Materials 27103	Literacy For Children at Risk 27107
Revenues:				
State Grant	\$ -	-	692	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>692</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	1,232	863
Support Services:				
Students	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,232</u>	<u>863</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(540)</u>	<u>(863)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(540)</u>	<u>(863)</u>
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restatement (Note 4)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)- Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>-</u>	<u>(540)</u>	<u>(863)</u>

The accompanying notes are an integral part of these financial statements

NM Grown FW 27183	Private Dir Grants 29102	Public School Capital Outlay 31200	Special Capital Outlay-State 31400	SB-9 Capital Improvements 31700	Total
-	-	376,193	-	-	3,567,886
300	-	-	100,000	19,584	911,015
-	-	-	-	-	39,490
-	49,383	-	-	-	208,722
<u>300</u>	<u>49,383</u>	<u>376,193</u>	<u>100,000</u>	<u>19,584</u>	<u>4,727,113</u>
-	33,356	-	-	-	2,356,689
-	-	-	-	-	303,878
-	-	-	-	-	166,603
-	-	-	-	-	369,678
-	-	-	-	-	253,924
-	2,070	-	-	-	442,771
-	-	-	-	-	71
-	-	-	-	-	1,764
300	-	-	-	-	148,966
-	-	344,844	100,000	19,584	464,428
<u>300</u>	<u>35,426</u>	<u>344,844</u>	<u>100,000</u>	<u>19,584</u>	<u>4,508,772</u>
-	13,957	31,349	-	-	218,341
-	13,957	31,349	-	-	218,341
-	(9,032)	6,865	-	-	(299,131)
-	-	(31,349)	-	-	(132,886)
-	(9,032)	(24,484)	-	-	(432,017)
-	4,925	6,865	-	-	(213,676)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds	<u>\$ 218,341</u>
Change in Net Position-Total Governmental Activities	<u><u>\$ 218,341</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 MCCURDY CHARTER SCHOOL
 Statement of Fiduciary Assets and Liabilities- Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Due from Others	\$ 91,427
Total Assets	<u>\$ 91,427</u>
LIABILITIES	
Deposits Held for Others	\$ 91,427
Total Liabilities	<u>\$ 91,427</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Due from Others	\$ 16,027	93,239	17,839	91,427
Total Assets	<u>\$ 16,027</u>	<u>93,239</u>	<u>17,839</u>	<u>91,427</u>
LIABILITIES				
Deposits Held for Others	\$ 16,027	93,239	17,839	91,427
Total Liabilities	<u>\$ 16,027</u>	<u>93,239</u>	<u>17,839</u>	<u>91,427</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 McCurdy Charter School
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2014

NOTE 1. COMMITMENTS AND CONTINGENCIES

A. Leases

McCurdy Charter School leases the building in which it conducts school operations. The lease is considered to be an operating lease. Terms of the lease are such that the landlord accepts as payment, the annual P.S.C.O.C appropriation through the New Mexico Public Education Department. The amount of the current year appropriation which was classified as lease expense for fiscal year 2014 was \$376,193. Future amounts are undetermined at year end and thus cannot be projected on a go forward basis and are not disclosed.

NOTE 2. DEFICIT FUND BALANCE

The following funds had deficit fund balances at June 30, 2014:

Food Services (21000)	\$	(85,331)
Athletics (22000)	\$	(90,249)
Entitlement IDEA-B (24106)	\$	(40,079)
Charter Schools (24146)	\$	(120,267)
Dual Credit Instructional Materials (27103)	\$	(540)
Literacy For Children at Risk (27107)	\$	(863)

NOTE 3. OVERSPENT BUDGET LINE ITEMS

As stated in the finding 2014-007, McCurdy Charter School had expended in excess of the budget in the following funds:

Operational #11000 - Support Services	\$	64,751
Instructional Materials #14000 - Instruction	\$	131
Athletics #22000 - Instruction	\$	170,299
IDEA-B Entitlement #24106		
Instruction	\$	19,080
Support Services	\$	33,248
Dual Credit Instructional Materials #27103 - Instruction	\$	1,232
Literacy For Children at Risk #27107 - Instruction	\$	863
Private Direct Grants #29102 - Support Services	\$	30

McCurdy is addressing the negative fund balance and is planning to take the appropriate actions to eliminate the negative balances.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
McCurdy Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 4. PRIOR PERIOD ADJUSTMENT

McCurdy Charter School received a disclaimer of opinion for fiscal year ending June 30, 2013. The beginning balances were audited in the current year and resulted in the beginning fund balances requiring adjustments to be properly stated in order to conduct the current year's audit. Adjustments in the amount of \$132,886 were required to properly state the beginning balances which resulted in a reduction of the fund balance and net position for the school.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,238,071	3,147,137	3,156,382	9,245
Federal Grant	6,296	6,296	-	(6,296)
Charges for Services	-	-	3,954	3,954
Miscellaneous	-	-	67,018	67,018
Total Revenues	<u>3,244,367</u>	<u>3,153,433</u>	<u>3,227,354</u>	<u>73,921</u>
Expenditures:				
Current:				
Instruction	1,980,840	1,920,979	1,730,761	190,218
Support Services:				
Students	158,964	158,964	143,513	15,451
General Administration	106,259	106,259	166,603	(60,344)
School Administration	363,253	363,253	369,678	(6,425)
Central Services	224,823	224,823	253,924	(29,101)
Operation & Maintenance of Plant	424,133	399,133	440,701	(41,568)
Student Transportation	34,644	28,571	71	28,500
Other Support Services Operations	500	500	1,764	(1,264)
Food Services Operations	10,883	10,883	-	10,883
Total expenditures	<u>3,304,299</u>	<u>3,213,365</u>	<u>3,107,015</u>	<u>106,350</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(59,932)</u>	<u>(59,932)</u>	<u>120,339</u>	<u>180,271</u>
Net Changes in Fund Balances	<u>(59,932)</u>	<u>(59,932)</u>	<u>120,339</u>	<u>180,271</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,170</u>	<u>10,170</u>
Cash or Fund Balances - End of Year	<u>\$ (59,932)</u>	<u>(59,932)</u>	<u>130,509</u>	<u>190,441</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 120,339</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 26,893	26,893	34,619	7,726
Total Revenues	<u>26,893</u>	<u>26,893</u>	<u>34,619</u>	<u>7,726</u>
Expenditures:				
Current:				
Instruction	26,893	26,893	27,024	(131)
Total Expenditures	<u>26,893</u>	<u>26,893</u>	<u>27,024</u>	<u>(131)</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	7,595	7,595
Net Changes in Fund Balances	-	-	7,595	7,595
Cash or Fund Balances - Beginning of Year	-	-	1,481	1,481
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>9,076</u>	<u>9,076</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 7,595</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 68,000	68,000	-	(68,000)
Federal Grant	100,000	100,000	119,124	19,124
Miscellaneous	-	-	17,780	17,780
Total Revenues	<u>168,000</u>	<u>168,000</u>	<u>136,904</u>	<u>(31,096)</u>
Expenditures:				
Current:				
Food Services Operations	168,000	168,000	148,666	19,334
Total Expenditures	<u>168,000</u>	<u>168,000</u>	<u>148,666</u>	<u>19,334</u>
<i>(Deficiency) of Revenues</i>				
<i>(Under) Expenditures</i>	-	-	(11,762)	(11,762)
Net Changes in Fund Balances	-	-	(11,762)	(11,762)
Cash or Fund Balances - Beginning of Year	-	-	(31,782)	(31,782)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(43,544)</u>	<u>(43,544)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (11,762)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Athletics 22000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 30,000	30,000	-	(30,000)
Charges for Services	-	-	35,536	35,536
Miscellaneous	-	-	74,514	74,514
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>110,050</u>	<u>80,050</u>
Expenditures:				
Current:				
Instruction	30,000	30,000	200,299	(170,299)
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>200,299</u>	<u>(170,299)</u>
<i>(Deficiency) of Revenues</i> <i>(Under) Expenditures</i>	-	-	(90,249)	(90,249)
Net Changes in Fund Balances	-	-	(90,249)	(90,249)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(90,249)</u>	<u>(90,249)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (90,249)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 95,453	191,928	201,800	9,872
Total Revenues	<u>95,453</u>	<u>191,928</u>	<u>201,800</u>	<u>9,872</u>
Expenditures:				
Current:				
Instruction	94,498	190,973	169,772	21,201
Support Services:				
General Administration	955	955	-	955
Total Expenditures	<u>95,453</u>	<u>191,928</u>	<u>169,772</u>	<u>22,156</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>32,028</u>	<u>32,028</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>32,028</u>	<u>32,028</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>32,028</u>	<u>32,028</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 32,028</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	174,262	186,511	12,249
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>174,262</u>	<u>186,511</u>	<u>12,249</u>
Expenditures:				
Current:				
Instruction	-	47,145	66,225	(19,080)
Support Services:				
Students	-	127,117	160,365	(33,248)
Total Expenditures	<u>-</u>	<u>174,262</u>	<u>226,590</u>	<u>(52,328)</u>
<i>(Deficiency) of Revenues</i>				
<i>(Under) Expenditures</i>	-	-	(40,079)	(40,079)
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(40,079)</u>	<u>(40,079)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(40,079)</u>	<u>(40,079)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (40,079)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	1,145	1,023	(122)
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>1,145</u>	<u>1,023</u>	<u>(122)</u>
Expenditures:				
Current:				
Instruction	-	1,145	1,023	122
Total Expenditures	<u>-</u>	<u>1,145</u>	<u>1,023</u>	<u>122</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Schools 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	92,411	248,521	156,110
Miscellaneous	-	-	27	27
Total Revenues	<u>-</u>	<u>92,411</u>	<u>248,548</u>	<u>156,137</u>
Expenditures:				
Current:				
Instruction	-	92,411	91,982	429
Total Expenditures	<u>-</u>	<u>92,411</u>	<u>91,982</u>	<u>429</u>
<i>Excess of Revenues (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>156,566</u>	<u>156,566</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>156,566</u>	<u>156,566</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(276,833)</u>	<u>(276,833)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(120,267)</u>	<u>(120,267)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 156,566</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
English Language Acquisition 24153
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 3,437	1,978	1,668	(310)
Charges for Services	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>3,437</u>	<u>1,978</u>	<u>1,668</u>	<u>(310)</u>
Expenditures:				
Current:				
Instruction	3,437	1,978	1,668	310
Total Expenditures	<u>3,437</u>	<u>1,978</u>	<u>1,668</u>	<u>310</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 24,774	46,636	32,484	(14,152)
Total Revenues	<u>24,774</u>	<u>46,636</u>	<u>32,484</u>	<u>(14,152)</u>
Expenditures:				
Current:				
Instruction	24,774	46,636	32,484	14,152
Total Expenditures	<u>24,774</u>	<u>46,636</u>	<u>32,484</u>	<u>14,152</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
LANL Foundation 26113
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	1,113	-	(1,113)
Total Revenues	<u>-</u>	<u>1,113</u>	<u>-</u>	<u>(1,113)</u>
Expenditures:				
Current:				
Instruction	-	1,113	-	1,113
Total Expenditures	<u>-</u>	<u>1,113</u>	<u>-</u>	<u>1,113</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Daniels Fund 26141
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	26,912	-	(26,912)
Total Revenues	<u>-</u>	<u>26,912</u>	<u>-</u>	<u>(26,912)</u>
Expenditures:				
Current:				
Instruction	-	26,912	-	26,912
Total Expenditures	<u>-</u>	<u>26,912</u>	<u>-</u>	<u>26,912</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	692	692
Total Revenues	<u>-</u>	<u>-</u>	<u>692</u>	<u>692</u>
Expenditures:				
Current:				
Instruction	-	-	1,232	(1,232)
Total Expenditures	<u>-</u>	<u>-</u>	<u>1,232</u>	<u>(1,232)</u>
<i>(Deficiency) of Revenues</i>				
<i>(Under) Expenditures</i>	-	-	(540)	(540)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(540)</u>	<u>(540)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(540)</u>	<u>(540)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (540)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Literacy For Children at Risk 27107
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,713	3,713	-	(3,713)
Total Revenues	<u>3,713</u>	<u>3,713</u>	<u>-</u>	<u>(3,713)</u>
Expenditures:				
Current:				
Instruction	-	-	863	(863)
Total Expenditures	<u>-</u>	<u>-</u>	<u>863</u>	<u>(863)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>3,713</u>	<u>3,713</u>	<u>(863)</u>	<u>(4,576)</u>
Net Changes in Fund Balances	<u>3,713</u>	<u>3,713</u>	<u>(863)</u>	<u>(4,576)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ 3,713</u>	<u>3,713</u>	<u>(863)</u>	<u>(4,576)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (863)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
NM Grown FW 27183
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	591	-	(591)
Federal Grant	-	-	300	300
Total Revenues	<u>-</u>	<u>591</u>	<u>300</u>	<u>(291)</u>
Expenditures:				
Current:				
Food Services Operations	-	591	300	291
Total Expenditures	<u>-</u>	<u>591</u>	<u>300</u>	<u>291</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	38,008	-	(38,008)
Miscellaneous	-	-	49,383	49,383
Total Revenues	<u>-</u>	<u>38,008</u>	<u>49,383</u>	<u>11,375</u>
Expenditures:				
Current:				
Instruction	-	35,968	33,356	2,612
Operation & Maintenance of Plant	-	2,040	2,070	(30)
Total Expenditures	<u>-</u>	<u>38,008</u>	<u>35,426</u>	<u>2,582</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>13,957</u>	<u>13,957</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>13,957</u>	<u>13,957</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(9,032)</u>	<u>(9,032)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,925</u>	<u>4,925</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 13,957</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	376,209	376,193	(16)
Total Revenues	<u>-</u>	<u>376,209</u>	<u>376,193</u>	<u>(16)</u>
Expenditures:				
Current:				
Capital Outlay	-	376,209	344,844	31,365
Total Expenditures	<u>-</u>	<u>376,209</u>	<u>344,844</u>	<u>31,365</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	31,349	31,349
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>31,349</u>	<u>31,349</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>6,865</u>	<u>6,865</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>38,214</u>	<u>38,214</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 31,349</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay-State 31400
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	100,000	-	(100,000)
Federal Grant	-	-	100,000	100,000
Total Revenues	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Expenditures:				
Current:				
Capital Outlay	-	100,000	100,000	-
Total Expenditures	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	122,414	-	(122,414)
State Grant	-	33,714	-	(33,714)
Federal Grant	-	-	19,584	19,584
Total Revenues	<u>-</u>	<u>156,128</u>	<u>19,584</u>	<u>(136,544)</u>
Expenditures:				
Current:				
General Administration	-	1,225	-	1,225
Capital Outlay	-	154,903	19,584	135,319
Total Expenditures	<u>-</u>	<u>156,128</u>	<u>19,584</u>	<u>136,544</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -
Total Cash per Schedule of Cash Accounts:				\$ 273,754
Less: FDIC Coverage:				<u>(250,000)</u>
Uninsured Public Funds:				23,754
Collateral Requirement:				11,877
Pledged Collateral Held by Pledging Financial Institution:				-
Balance Under Collateralized:				\$ <u>11,877</u>
Balance Uninsured and Uncollateralized at June 30, 2014:				\$ <u>23,754</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Valley National Bank</u>
Checking - Operational Account	\$ 273,754
Checking - Activity Account	-
Checking - Foundation	-
	<hr/>
Total on Deposit	273,754
Reconciling Items	<hr/> (367,040)
Reconciled Balance June 30, 2014	<hr/> <u>\$ (93,286)</u> <hr/>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
MCCURDY CHARTER SCHOOL
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Athletics 22000	Non- Instruction 23000
Cash, June 30, 2013	\$ (213,625)	2,111	11,762	90,249	(87,403)
Add:					
2013-14 Revenues	<u>3,227,354</u>	<u>34,619</u>	<u>136,904</u>	<u>110,050</u>	<u>151,474</u>
Total Cash Available	3,013,729	36,730	148,666	200,299	64,071
Less:					
2013-14 Expenditures	(3,106,715)	(27,024)	(148,666)	(200,299)	(64,071)
Receivables/Payables	-	(9,706)	-	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u><u>\$ (92,986)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	\$ -	-	-	-	-
Cash per Books	<u><u>\$ (92,986)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	\$ 194,835	9,076	(85,331)	(90,249)	-
Fund Balance , Modified Accrual Basis	<u><u>\$ 101,849</u></u>	<u><u>9,076</u></u>	<u><u>(85,331)</u></u>	<u><u>(90,249)</u></u>	<u><u>-</u></u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough 24000	Local Grants 26000	State Flowthrough 27000	Local or State 29000	Public School Capital Outlay 31200	Special Capital Outlay- State 31400	SB-9 Capital Improvements 31700	Total
(148,515)	-	1,403	(13,957)	(31,349)	-	-	(389,324)
672,034	-	992	49,383	376,193	100,000	19,584	4,878,587
523,519	-	2,395	35,426	344,844	100,000	19,584	4,489,263
(523,519)	-	(2,395)	(35,426)	(344,844)	(100,000)	(19,584)	(4,572,543)
-	-	-	-	-	-	-	(9,706)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(92,986)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(92,986)
(159,408)	-	(1,403)	4,925	6,865	-	-	(120,690)
(159,408)	-	(1,403)	4,925	6,865	-	-	(213,676)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 354,613
Receivables	
Due from Other Governments	101,946
Prepaid Expenditures	21,448
Total Current Assets	<u>478,007</u>

Noncurrent Assets:

Capital Assets	
Land	410,000
Building and Improvements	1,581,533
Furniture, Fixtures, and Equipment	66,642
Less: Accumulated Depreciation	(269,116)
Total Noncurrent Assets	<u>1,789,059</u>
Total Assets	<u>2,267,066</u>

LIABILITIES

Current Liabilities:

Accounts Payable	13,053
Accrued Liabilities	92,664
Current Portion of Capital Lease Obligations	114,682
Total Current Liabilities	<u>220,399</u>

Noncurrent Liabilities:

Capital Lease Obligations	987,592
Total Noncurrent Liabilities	<u>987,592</u>
Total Liabilities	<u>1,207,991</u>

NET POSITION

Net Investment in Capital Assets	686,785
Restricted	87,392
Unrestricted	284,898
Total Net Position	<u>\$ 1,059,075</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,036,426	10,463	193,173	-	(832,790)
Support Services:					
Students	259,889	-	-	-	(259,889)
Instruction	2,956	-	-	-	(2,956)
General Administration	23,675	-	-	-	(23,675)
School Administration	290,860	-	-	-	(290,860)
Central Services	77,849	-	-	-	(77,849)
Operation & Maintenance of Plant	298,952	-	-	-	(298,952)
Food Services	38,689	4,986	-	-	(33,703)
Facilities Materials, Supplies & Other Services	53,290	-	8,625	130,231	85,566
Total Governmental Activities	\$ 2,082,586	15,449	201,798	130,231	(1,735,108)
General Revenues:					
State Equalization Guarantee					\$ 1,705,781
Property Taxes					55,671
Total General Revenues					<u>1,761,452</u>
Change in Net Position					26,344
Net Position, Beginning					<u>1,032,731</u>
Net Position, Ending					<u>\$ 1,059,075</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 297,294	11,453	11,911	-	-
Accounts receivable					
Due from Government	-	-	-	9,044	20,923
Due from Other Funds	93,321	-	-	-	-
Prepaid Expenditures	21,448	-	-	-	-
Total Assets	\$ 412,063	11,453	11,911	9,044	20,923
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 13,053	-	-	-	-
Accrued Expenses	92,664	-	-	-	-
Due to Other Funds	-	-	-	9,044	20,923
Total Liabilities	105,717	-	-	9,044	20,923
<i>Fund Balances</i>					
Fund Balance:					
Non Spendable:					
Prepaid Expenditures	21,448	-	-	-	-
Restricted for:					
Instruction	-	11,453	-	-	-
Food Service Operations	-	-	11,911	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	284,898	-	-	-	-
Total Fund Balance	306,346	11,453	11,911	-	-
Total Liabilities and Fund Balances	\$ 412,063	11,453	11,911	9,044	20,923

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	Dual Credit Instructional Materials 27103	2010 SB-1 Student Library 27106	Charter Schools 27112	Beginning Teacher Mentoring 27154
-	-	-	-	-	50	792
420	5,111	53,774	158	935	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>420</u>	<u>5,111</u>	<u>53,774</u>	<u>158</u>	<u>935</u>	<u>50</u>	<u>792</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>420</u>	<u>5,111</u>	<u>53,774</u>	<u>158</u>	<u>935</u>	<u>-</u>	<u>-</u>
<u>420</u>	<u>5,111</u>	<u>53,774</u>	<u>158</u>	<u>935</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	50	792
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<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>50</u>	<u>792</u>
<u>420</u>	<u>5,111</u>	<u>53,774</u>	<u>158</u>	<u>935</u>	<u>50</u>	<u>792</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Next Generation Assessments <u>27185</u>	Public School Capital Outlay <u>31200</u>	SB-9 Capital Improvements <u>31700</u>	<u>Total</u>
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ -	-	33,113	354,613
Accounts receivable				
Due from Government	2,956	-	8,625	101,946
Due from Other Funds	-	-	-	93,321
Prepaid Expenditures	-	-	-	21,448
Total Assets	<u>\$ 2,956</u>	<u>-</u>	<u>41,738</u>	<u>571,328</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	13,053
Accrued Expenses	-	-	-	92,664
Due to Other Funds	2,956	-	-	93,321
Total Liabilities	<u>2,956</u>	<u>-</u>	<u>-</u>	<u>199,038</u>
<i>Fund Balances</i>				
Fund Balance:				
Non Spendable:				
Prepaid Expenditures	-	-	-	21,448
Restricted for:				
Instruction	-	-	-	12,295
Food Service Operations	-	-	-	11,911
Capital Improvements	-	-	41,738	41,738
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	284,898
Total Fund Balance	<u>-</u>	<u>-</u>	<u>41,738</u>	<u>372,290</u>
Total Liabilities and Fund Balances	<u>\$ 2,956</u>	<u>-</u>	<u>41,738</u>	<u>571,328</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Media Arts Collaborative Charter School
 Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 372,290**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	2,058,175	
Accumulated Depreciation	(269,116)	
		1,789,059

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

(1,102,274)

Net Position-Total Governmental Activities **\$ 1,059,075**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	6,482	-	-	-	-
State Grant	1,705,781	11,504	-	-	-
Federal Grant	-	-	38,529	39,908	32,500
Charges for Services	10,463	-	4,986	-	-
Total Revenues	<u>1,722,726</u>	<u>11,504</u>	<u>43,515</u>	<u>39,908</u>	<u>32,500</u>
Expenditures:					
Current:					
Instruction	937,371	5,556	-	-	30,140
Support Services:					
Students	214,190	-	-	39,908	2,360
Instruction	-	-	-	-	-
General Administration	23,675	-	-	-	-
School Administration	290,860	-	-	-	-
Central Services	77,849	-	-	-	-
Operation & Maintenance of Plant	255,889	-	-	-	-
Food Services Operations	-	-	38,689	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,799,834</u>	<u>5,556</u>	<u>38,689</u>	<u>39,908</u>	<u>32,500</u>
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	<u>(77,108)</u>	<u>5,948</u>	<u>4,826</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(77,108)</u>	<u>5,948</u>	<u>4,826</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>383,454</u>	<u>5,505</u>	<u>7,085</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 306,346</u>	<u>11,453</u>	<u>11,911</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title I School Improvement 24162	Dual Credit Instructional Materials 27103	2010 SB-1 Student Library 27106	Charter Schools 27112	Beginning Teacher Mentoring 27154
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,054	935	-	-
420	5,111	53,774	-	-	-	-
-	-	-	-	-	-	-
<u>420</u>	<u>5,111</u>	<u>53,774</u>	<u>1,054</u>	<u>935</u>	<u>-</u>	<u>-</u>
-	5,111	53,774	1,054	-	-	-
420	-	-	-	935	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>420</u>	<u>5,111</u>	<u>53,774</u>	<u>1,054</u>	<u>935</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	50	792
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>792</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Next Generation Assessments 27185	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
Revenues:				
Property Taxes	\$ -	-	55,671	55,671
Local & County Grant	-	-	-	6,482
State Grant	2,956	130,231	8,625	1,861,086
Federal Grant	-	-	-	170,242
Charges for Services	-	-	-	15,449
Total Revenues	<u>2,956</u>	<u>130,231</u>	<u>64,296</u>	<u>2,108,930</u>
Expenditures:				
Current:				
Instruction	-	-	-	1,033,006
Support Services:				
Students	-	-	-	257,813
Instruction	2,956	-	-	2,956
General Administration	-	-	-	23,675
School Administration	-	-	-	290,860
Central Services	-	-	-	77,849
Operation & Maintenance of Plant	-	-	-	255,889
Food Services Operations	-	-	-	38,689
Capital Outlay	-	130,231	22,558	152,789
Total Expenditures	<u>2,956</u>	<u>130,231</u>	<u>22,558</u>	<u>2,133,526</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>41,738</u>	<u>(24,596)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>41,738</u>	<u>(24,596)</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>396,886</u>
Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>41,738</u>	<u>372,290</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Media Arts Collaborative Charter School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (24,596)**

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

Principal Payments of Capital Lease Obligations 105,893

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	6,787	
Depreciation Expense	(61,740)	
	(54,953)	(54,953)

Change in Net Position-Total Governmental Activities **\$ 26,344**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 5,225</u>
Total Assets	<u><u>\$ 5,225</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 5,225</u>
Total Liabilities	<u><u>\$ 5,225</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Media Arts Collaborative Charter School
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ -	8,503	3,278	5,225
Total Assets	<u>\$ -</u>	<u>8,503</u>	<u>3,278</u>	<u>5,225</u>
LIABILITIES				
Deposits Held for Others	\$ -	8,503	3,278	5,225
Total Liabilities	<u>\$ -</u>	<u>8,503</u>	<u>3,278</u>	<u>5,225</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Media Arts Collaborative Charter School's (MACCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The MACCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The MACCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Buildings and Improvements	39 years

Capital assets for the MACCS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets Not Being Depreciated:</i>				
Land	\$ 410,000	-	-	410,000
<i>Total</i>	<u>410,000</u>	<u>-</u>	<u>-</u>	<u>410,000</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	59,855	6,787	-	66,642
Buildings and Improvements	1,581,533	-	-	1,581,533
<i>Total</i>	<u>1,641,388</u>	<u>6,787</u>	<u>-</u>	<u>1,648,175</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(27,039)	(12,060)	-	(39,099)
Buildings and Improvements	(180,337)	(49,680)	-	(230,017)
<i>Total</i>	<u>(207,376)</u>	<u>(61,740)</u>	<u>-</u>	<u>(269,116)</u>
Net Fixed Assets	<u>\$ 1,844,012</u>	<u>(54,953)</u>	<u>-</u>	<u>1,789,059</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	3,420
Instructional Support		2,077
Operations/Plant Maintenance		43,063
Facilities Materials, Supplies & Other Services		13,180
Total	\$	61,740

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The MACCS leased various facilities and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014, was \$226,890. The MACCS's minimum future payments on this lease are as follows:

Year Ending June 30:		
2015	\$	219,345
2016		219,345
2017		219,345
2018		219,345
2019		215,140
Total Lease Payments	\$	1,092,520

The following is an analysis of the leased property under capital leases by major classes included in the summary of capital assets.

Classes of Property	Asset Balance
Land – Non Depreciable	\$ 410,000
Building	1,458,773
Less: Accumulated amortization	(174,775)
	\$ 1,693,998

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2014.

Year Ending June 30:	
2015	\$ 198,360
2016	198,360
2017	198,360
2018	198,360
2019	198,360
2020 - 2024	<u>479,402</u>
Total minimum Lease Payments	1,471,202
Less: Amount Representing Interest	<u>(368,928)</u>
Present Value of Net Minimum Lease Payments:	<u>\$ 1,102,274</u>

NOTE 4. RELATED PARTIES

The Business Manager is also the Business Manager of Cien Aguas International School.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	6,432	6,482	50
State Grant	1,685,871	1,705,781	1,705,781	-
Charges for Services	-	16,798	10,463	(6,335)
Total Revenues	1,685,871	1,729,011	1,722,726	(6,285)
Expenditures:				
Current:				
Instruction	1,109,674	1,122,399	951,677	170,722
Support Services:				
Students	203,657	245,567	216,332	29,235
General Administration	39,700	39,700	27,702	11,998
School Administration	244,865	253,355	286,043	(32,688)
Central Services	80,844	83,842	85,963	(2,121)
Operation & Maintenance of Plant	315,708	367,102	255,302	111,800
Food Services Operations	500	500	-	500
Total Expenditures	1,994,948	2,112,465	1,823,019	289,446
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	(309,077)	(383,454)	(100,293)	283,161
Other Financing Sources (Uses):				
Designated Cash	309,077	383,454	-	(383,454)
Total Other Financing Sources (Uses):	309,077	383,454	-	(383,454)
Net Changes in Fund Balances	-	-	(100,293)	(100,293)
Cash or Fund Balances - Beginning of Year	-	-	383,454	383,454
Cash or Fund Balances - End of Year	\$ -	-	283,161	283,161
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			23,185	
NET CHANGE IN FUND BALANCE			\$ (77,108)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 10,640	11,505	11,504	(1)
Total Revenues	<u>10,640</u>	<u>11,505</u>	<u>11,504</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction	10,640	17,009	5,556	11,453
Total Expenditures	<u>10,640</u>	<u>17,009</u>	<u>5,556</u>	<u>11,453</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(5,504)</u>	<u>5,948</u>	<u>11,452</u>
Other Financing Sources (Uses):				
Designated Cash	-	5,504	-	(5,504)
Total Other Financing Sources (Uses):	<u>-</u>	<u>5,504</u>	<u>-</u>	<u>(5,504)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>5,948</u>	<u>5,948</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,505</u>	<u>5,505</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,453</u>	<u>11,453</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 5,948</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 37,000	38,529	38,529	-
Charges for Services	4,000	4,000	4,986	986
Total Revenues	<u>41,000</u>	<u>42,529</u>	<u>43,515</u>	<u>986</u>
Expenditures:				
Current:				
Food Services Operations	<u>49,136</u>	<u>49,614</u>	<u>38,689</u>	<u>10,925</u>
Total Expenditures	<u>49,136</u>	<u>49,614</u>	<u>38,689</u>	<u>10,925</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(8,136)</u>	<u>(7,085)</u>	<u>4,826</u>	<u>11,911</u>
Other Financing Sources (Uses):				
Designated Cash	<u>8,136</u>	<u>7,085</u>	<u>-</u>	<u>(7,085)</u>
Total Other Financing Sources (Uses):	<u>8,136</u>	<u>7,085</u>	<u>-</u>	<u>(7,085)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,826</u>	<u>4,826</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,085</u>	<u>7,085</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,911</u>	<u>11,911</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 4,826</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 36,278	39,908	30,864	(9,044)
Total Revenues	<u>36,278</u>	<u>39,908</u>	<u>30,864</u>	<u>(9,044)</u>
Expenditures:				
Current:				
Instruction	5,393	-	-	-
Support Services:				
Students	30,885	39,908	39,908	-
Total Expenditures	<u>36,278</u>	<u>39,908</u>	<u>39,908</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(9,044)	(9,044)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(9,044)</u>	<u>(9,044)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(9,044)</u>	<u>(9,044)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			9,044	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 30,869	32,500	11,577	(20,923)
Total Revenues	<u>30,869</u>	<u>32,500</u>	<u>11,577</u>	<u>(20,923)</u>
Expenditures:				
Current:				
Instruction	29,695	30,140	30,140	-
Support Services:				
Students	1,174	2,360	2,360	-
Total Expenditures	<u>30,869</u>	<u>32,500</u>	<u>32,500</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(20,923)	(20,923)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(20,923)</u>	<u>(20,923)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(20,923)</u>	<u>(20,923)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>20,923</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	420	-	(420)
Total Revenues	<u>-</u>	<u>420</u>	<u>-</u>	<u>(420)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	420	420	-
Total Expenditures	<u>-</u>	<u>420</u>	<u>420</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(420)	(420)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(420)</u>	<u>(420)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(420)</u>	<u>(420)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			420	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 6,365	6,365	-	(6,365)
Total Revenues	<u>6,365</u>	<u>6,365</u>	<u>-</u>	<u>(6,365)</u>
Expenditures:				
Current:				
Instruction	6,365	6,365	4,838	1,527
Total Expenditures	<u>6,365</u>	<u>6,365</u>	<u>4,838</u>	<u>1,527</u>
Deficiency of Revenues Under Expenditures	-	-	(4,838)	(4,838)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,838)</u>	<u>(4,838)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,838)</u>	<u>(4,838)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			4,838	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I School Improvement 24162
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 42,179	53,775	-	(53,775)
Total Revenues	<u>42,179</u>	<u>53,775</u>	<u>-</u>	<u>(53,775)</u>
Expenditures:				
Current:				
Instruction	42,179	53,775	53,774	1
Total Expenditures	<u>42,179</u>	<u>53,775</u>	<u>53,774</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(53,774)</u>	<u>(53,774)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(53,774)</u>	<u>(53,774)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(53,774)</u>	<u>(53,774)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>53,774</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials/HB2 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	1,054	896	(158)
Total Revenues	<u>-</u>	<u>1,054</u>	<u>896</u>	<u>(158)</u>
Expenditures:				
Current:				
Instruction	-	1,054	1,054	-
Total Expenditures	<u>-</u>	<u>1,054</u>	<u>1,054</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(158)</u>	<u>(158)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(158)</u>	<u>(158)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(158)</u>	<u>(158)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>158</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
2010 Student Library Fund SB-1 27106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	2,153	-	(2,153)
Total Revenues	<u>-</u>	<u>2,153</u>	<u>-</u>	<u>(2,153)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	2,153	935	1,218
Total Expenditures	<u>-</u>	<u>2,153</u>	<u>935</u>	<u>1,218</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(935)</u>	<u>(935)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(935)</u>	<u>(935)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(935)</u>	<u>(935)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>935</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Beginning Teacher Mentoring 27154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	-	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:	-	-	-	-
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>792</u>	<u>792</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>792</u>	<u>792</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	2,956	-	(2,956)
Total Revenues	<u>-</u>	<u>2,956</u>	<u>-</u>	<u>(2,956)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	2,956	2,956	-
Total Expenditures	<u>-</u>	<u>2,956</u>	<u>2,956</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(2,956)	(2,956)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,956)</u>	<u>(2,956)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>50</u>	<u>50</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,906)</u>	<u>(2,906)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,956	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	130,231	130,231	-
Total Revenues	<u>-</u>	<u>130,231</u>	<u>130,231</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	130,231	130,231	-
Total Expenditures	<u>-</u>	<u>130,231</u>	<u>130,231</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>792</u>	<u>792</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>792</u>	<u>792</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ 58,584	58,584	55,671	(2,913)
State Grant	4,054	8,625	-	(8,625)
Total Revenues	<u>62,638</u>	<u>67,209</u>	<u>55,671</u>	<u>(11,538)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	586	586	-	586
Capital Outlay	62,052	66,623	22,558	44,065
Total Expenditures	<u>62,638</u>	<u>67,209</u>	<u>22,558</u>	<u>44,651</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	33,113	33,113
Net Changes in Fund Balances	-	-	33,113	33,113
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	33,113	33,113
Reconciliation to GAAP Basis:				
Adjustments to Revenues			8,625	
NET CHANGE IN FUND BALANCE			<u>\$ 41,738</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
US Bank	FLMC FGLMC G01511	31283HVC6	2/1/2033	\$ 169,056
				<u>\$ 169,056</u>

Total Cash per Schedule of Cash Accounts: \$ 388,412
Less: FDIC Coverage: (250,000)
Uninsured Public Funds: 138,412

Collateral Requirement: 69,206
Pledged Collateral Held by Pledging Financial Institution: 169,056
Balance Over Collateralized: \$ 99,850

Balance uninsured and uncollateralized at June 30, 2014: \$ -

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Media Arts Collaborative Charter School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>US Bank/NM Educators/Bank of the West</u>
Checking - Operational Account	\$ 388,412
<i>Total on Deposit</i>	388,412
Reconciling Items	(28,574)
Reconciled Balance June 30, 2014	359,838
Less Agency Funds	(5,225)
<i>Total Cash</i>	\$ 354,613

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Media Arts Collaborative Charter School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non-Instructional Support 23000
Cash, June 30, 2013	\$ 383,454	5,505	7,805	-
Add:				
2013-14 Revenues	<u>1,722,726</u>	<u>11,504</u>	<u>43,515</u>	<u>8,503</u>
Total Cash Available	2,106,180	17,009	51,320	8,503
Less:				
2013-14 Expenditures	(1,823,019)	(5,556)	(38,689)	(3,278)
Receivables/Payables	<u>107,454</u>	<u>-</u>	<u>(720)</u>	<u>-</u>
Cash June 30, 2014	<u>390,615</u>	<u>11,453</u>	<u>11,911</u>	<u>5,225</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>(93,321)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>297,294</u>	<u>11,453</u>	<u>11,911</u>	<u>5,225</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>9,052</u>	<u>-</u>	<u>-</u>	<u>(5,225)</u>
Fund Balance , Modified Accrual Basis	<u>\$ 306,346</u>	<u>11,453</u>	<u>11,911</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	State Flow Through Fund 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	842	-	-	397,606
<u>42,168</u>	<u>896</u>	<u>130,231</u>	<u>55,671</u>	<u>2,015,214</u>
42,168	1,738	130,231	55,671	2,412,820
(131,440)	(4,945)	(130,231)	(22,558)	(2,159,716)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,734</u>
<u>(89,272)</u>	<u>(3,207)</u>	<u>-</u>	<u>33,113</u>	<u>359,838</u>
<u>89,272</u>	<u>4,049</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>842</u>	<u>-</u>	<u>33,113</u>	<u>359,838</u>
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:				<u>5,225</u>
Balance Sheets- Governmental Funds:				<u>\$ 354,613</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,625</u>	<u>12,452</u>
<u>-</u>	<u>842</u>	<u>-</u>	<u>41,738</u>	<u>372,290</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	373,028
Receivables		
Due from Other Governments		143,018
Prepays		11,251
Total Current Assets		<u>527,297</u>
Total Assets		<u>527,297</u>

LIABILITIES

Current Liabilities

Accounts Payable		1,215
Accrued Liabilities		149,160
Compensated Absences		14,698
Total Current Liabilities		<u>165,073</u>
Total Liabilities		<u>165,073</u>

NET POSITION

Restricted		28,982
Unrestricted		333,242
Total Net Position	\$	<u><u>362,224</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,743,434	-	369,883	-	(1,373,551)
Support Services:					
Students	141,357	-	-	-	(141,357)
Instruction	30,780	-	-	-	(30,780)
General Administration	58,169	-	-	-	(58,169)
School Administration	224,177	-	-	-	(224,177)
Central Services	220,550	-	-	-	(220,550)
Operation & Maintenance of Plant	319,160	-	-	-	(319,160)
Food Services	180,060	290	-	-	(179,770)
Facilities Materials, Supplies and Other Services	80,285	-	-	80,285	-
Total Governmental Activities	\$ 2,997,972	290	369,883	80,285	(2,547,514)
General Revenues:					
State Equalization Guarantee					\$ 2,891,722
Total General Revenues					<u>2,891,722</u>
Change in Net Position					344,208
Net Position, Beginning					<u>18,016</u>
Net Position, Ending					<u>\$ 362,224</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 355,297	14,068	3,663	-	-
Accounts Receivable					
Due from Government	-	-	-	84,793	5,669
Due from Other Funds	150,142	-	-	-	-
Prepays	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 505,439</u>	<u>14,068</u>	<u>3,663</u>	<u>84,793</u>	<u>5,669</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 1,215	-	-	-	-
Accrued Expenditures	148,638	-	-	522	-
Due to Other Funds	-	-	-	84,271	5,669
<i>Total Liabilities</i>	<u>149,853</u>	<u>-</u>	<u>-</u>	<u>84,793</u>	<u>5,669</u>
<i>Fund Balances</i>					
Fund Balance:					
Non Spendable					
Prepaid Expenditures	-	-	-	-	-
Restricted for:					
Instruction	-	14,068	-	-	-
Food Services	-	-	3,663	-	-
Unassigned (Deficit)	355,586	-	-	-	-
<i>Total Fund Balances</i>	<u>355,586</u>	<u>14,068</u>	<u>3,663</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 505,439</u>	<u>14,068</u>	<u>3,663</u>	<u>84,793</u>	<u>5,669</u>

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Teacher Principal Training 24154	2012 SB-66 Student Library 27107	New Mexico Grown FVV 27183	Next Generation Assessments 27185	Public School Capital Outlay 31200	Total
-	-	-	-	-	-	373,028
-	12,472	-	591	19,422	20,071	143,018
-	-	-	-	-	-	150,142
11,251	-	-	-	-	-	11,251
<u>11,251</u>	<u>12,472</u>	<u>-</u>	<u>591</u>	<u>19,422</u>	<u>20,071</u>	<u>677,439</u>
-	-	-	-	-	-	1,215
-	-	-	-	-	-	149,160
7,646	12,472	-	591	19,422	20,071	150,142
<u>7,646</u>	<u>12,472</u>	<u>-</u>	<u>591</u>	<u>19,422</u>	<u>20,071</u>	<u>300,517</u>
11,251	-	-	-	-	-	11,251
-	-	-	-	-	-	14,068
-	-	-	-	-	-	3,663
(7,646)	-	-	-	-	-	347,940
<u>3,605</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>376,922</u>
<u>11,251</u>	<u>12,472</u>	<u>-</u>	<u>591</u>	<u>19,422</u>	<u>20,071</u>	<u>677,439</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds	\$	376,922
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Net Position is different because:

Long-term liabilities are not due in the current period
and, therefore, are not reported in the funds.

Compensated Absences	(14,698)	
		(14,698)

Net Position-Total Governmental Activities	\$	<u>362,224</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
State Grant	\$ 2,891,722	13,080	-	-	-
Federal Grant	-	-	180,112	108,314	23,400
Charges for Services	-	-	290	-	-
Total Revenues	<u>2,891,722</u>	<u>13,080</u>	<u>180,402</u>	<u>108,314</u>	<u>23,400</u>
Expenditures:					
Current:					
Instruction	1,612,268	1,122	-	108,314	-
Support Services:					
Students	117,957	-	-	-	23,400
Instruction	8,124	-	-	-	-
General Administration	51,687	-	-	-	-
School Administration	224,177	-	-	-	-
Central Services	220,550	-	-	-	-
Operation & Maintenance of Plant	319,160	-	-	-	-
Food Services Operations	-	-	179,469	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>2,553,923</u>	<u>1,122</u>	<u>179,469</u>	<u>108,314</u>	<u>23,400</u>
<i>Excess of Revenues Over Expenditures</i>	<u>337,799</u>	<u>11,958</u>	<u>933</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>337,799</u>	<u>11,958</u>	<u>933</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>17,787</u>	<u>2,110</u>	<u>2,730</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 355,586</u>	<u>14,068</u>	<u>3,663</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Charter School Planning 24146	Teacher Principal Training 24154	2012 SB-66 Student Library 27107	New Mexico Grown FVV 27183	Next Generation Assessments 27185	Public School Capital Outlay 31200	Total
-	-	3,234	591	19,422	80,285	3,008,334
7,733	13,997	-	-	-	-	333,556
-	-	-	-	-	-	290
<u>7,733</u>	<u>13,997</u>	<u>3,234</u>	<u>591</u>	<u>19,422</u>	<u>80,285</u>	<u>3,342,180</u>
7,733	13,997	-	-	-	-	1,743,434
-	-	-	-	-	-	141,357
-	-	3,234	-	19,422	-	30,780
-	-	-	-	-	-	51,687
-	-	-	-	-	-	224,177
-	-	-	-	-	-	220,550
-	-	-	-	-	-	319,160
-	-	-	591	-	-	180,060
-	-	-	-	-	80,285	80,285
<u>7,733</u>	<u>13,997</u>	<u>3,234</u>	<u>591</u>	<u>19,422</u>	<u>80,285</u>	<u>2,991,490</u>
-	-	-	-	-	-	350,690
-	-	-	-	-	-	350,690
<u>3,605</u>	-	-	-	-	-	<u>26,232</u>
<u>3,605</u>	-	-	-	-	-	<u>376,922</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net Change in Fund Balances-Total Governmental Funds **\$ 350,690**

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

Change in Compensated Absences (6,482)

Change in Net Position-Total Governmental Activities **\$ 344,208**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 1,516</u>
Total Assets	<u><u>\$ 1,516</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 1,516</u>
Total Liabilities	<u><u>\$ 1,516</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Mission Achievement Success
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 358	4,138	2,980	1,516
Total Assets	<u>\$ 358</u>	<u>4,138</u>	<u>2,980</u>	<u>1,516</u>
LIABILITIES				
Deposits Held for Others	\$ 358	4,138	2,980	1,516
Total Liabilities	<u>\$ 358</u>	<u>4,138</u>	<u>2,980</u>	<u>1,516</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement and Success
Notes to the Financial Statements
June 30, 2014

NOTE 1. COMMITMENTS AND CONTINGENCIES

Facilities were leased under a short-term cancelable operating lease. Expenses for the year ended June 30, 2014 were \$154,584. The Mission Achievement and Success (MAS) minimum future payments on the lease are as follows:

Year Ending June 30:	
2015	\$ 197,868
Total Operating Lease Payments	<u>\$ 197,868</u>

The MAS had a compensated absences balance of \$8,216 at the beginning of the fiscal year. Additions to the balance were \$6,482, which resulted in an ending balance of \$14,698. The entire balance is considered to be current.

NOTE 2. RELATED PARTIES

The Business Manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,741,940	2,891,657	2,891,722	65
Total Revenues	<u>2,741,940</u>	<u>2,891,657</u>	<u>2,891,722</u>	<u>65</u>
Expenditures:				
Current:				
Instruction	1,827,365	1,879,418	1,612,268	267,150
Support Services:				
Students	176,488	165,532	128,267	37,265
Instruction	10,000	8,125	8,124	1
General Administration	30,500	52,344	51,687	657
School Administration	190,426	248,741	224,317	24,424
Central Services	224,396	247,443	230,158	17,285
Operation & Maintenance of Plant	279,765	326,114	319,160	6,954
Food Services Operations	3,000	3,000	-	3,000
Total Expenditures	<u>2,741,940</u>	<u>2,930,717</u>	<u>2,573,981</u>	<u>356,736</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(39,060)</u>	<u>317,741</u>	<u>356,801</u>
Other Financing Sources (Uses):				
Designated Cash	-	39,060	-	(39,060)
Total Other Financing Sources (Uses):	<u>-</u>	<u>39,060</u>	<u>-</u>	<u>(39,060)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>317,741</u>	<u>317,741</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>67,512</u>	<u>67,512</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>385,253</u>	<u>385,253</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>20,058</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 337,799</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 5,466	13,081	13,080	(1)
Total Revenues	<u>5,466</u>	<u>13,081</u>	<u>13,080</u>	<u>(1)</u>
Expenditures:				
Current:				
Instruction	5,466	15,191	1,122	14,069
Total Expenditures	<u>5,466</u>	<u>15,191</u>	<u>1,122</u>	<u>14,069</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(2,110)</u>	<u>11,958</u>	<u>14,068</u>
Other Financing Sources (Uses):				
Designated Cash	-	2,110	-	(2,110)
Total Other Financing Sources (Uses):	<u>-</u>	<u>2,110</u>	<u>-</u>	<u>(2,110)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,958</u>	<u>11,958</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,110</u>	<u>2,110</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>14,068</u>	<u>14,068</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 11,958</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 80,000	180,112	180,112	-
Charges for Service	-	290	290	-
Total Revenues	<u>80,000</u>	<u>180,402</u>	<u>180,402</u>	<u>-</u>
Expenditures:				
Current:				
Food Services Operations	80,000	187,795	184,132	3,663
Total Expenditures	<u>80,000</u>	<u>187,795</u>	<u>184,132</u>	<u>3,663</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(7,393)	(3,730)	3,663
Other Financing Sources (Uses):				
Designated Cash	-	7,393	-	(7,393)
Total Other Financing Sources (Uses):	<u>-</u>	<u>7,393</u>	<u>-</u>	<u>(7,393)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,730)</u>	<u>(3,730)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,393</u>	<u>7,393</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,663</u>	<u>3,663</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			4,663	
NET CHANGE IN FUND BALANCE			<u>\$ 933</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Mission Achievement Success
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I - IASA 24101
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 36,163	108,316	47,274	(61,042)
Total Revenues	<u>36,163</u>	<u>108,316</u>	<u>47,274</u>	<u>(61,042)</u>
Expenditures:				
Current:				
Instruction	36,163	108,316	108,314	2
Total Expenditures	<u>36,163</u>	<u>108,316</u>	<u>108,314</u>	<u>2</u>
Deficiency of Revenues				
Under Expenditures	-	-	(61,040)	(61,040)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(61,040)</u>	<u>(61,040)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(61,040)</u>	<u>(61,040)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			61,040	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Mission Achievement Success
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	28,087	23,400	(4,687)
Total Revenues	<u>-</u>	<u>28,087</u>	<u>23,400</u>	<u>(4,687)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	28,087	23,400	4,687
Total Expenditures	<u>-</u>	<u>28,087</u>	<u>23,400</u>	<u>4,687</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter School Planning 24146
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	7,733	11,491	3,758
Total Revenues	<u>-</u>	<u>7,733</u>	<u>11,491</u>	<u>3,758</u>
Expenditures:				
Current:				
Instruction	-	7,733	7,733	-
Total Expenditures	<u>-</u>	<u>7,733</u>	<u>7,733</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>3,758</u>	<u>3,758</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,758</u>	<u>3,758</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,605</u>	<u>3,605</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,363</u>	<u>7,363</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(3,758)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Mission Achievement Success
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 4,025	13,997	5,997	(8,000)
Total Revenues	<u>4,025</u>	<u>13,997</u>	<u>5,997</u>	<u>(8,000)</u>
Expenditures:				
Current:				
Instruction	4,025	13,997	13,997	-
Total Expenditures	<u>4,025</u>	<u>13,997</u>	<u>13,997</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(8,000)	(8,000)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,000)</u>	<u>(8,000)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			8,000	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Mission Achievement Success
 Schedule of Budgetary Comparisons - Budgetary Basis
 2012 SB-66 Student Library 27107
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 3,235	3,235	3,234	(1)
Total Revenues	3,235	3,235	3,234	(1)
Expenditures:				
Current:				
Support Services:				
Instruction	3,235	3,235	3,234	1
Total Expenditures	3,235	3,235	3,234	1
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Grown FVV 27183
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	591	-	(591)
Total Revenues	<u>-</u>	<u>591</u>	<u>-</u>	<u>(591)</u>
Expenditures:				
Current:				
Food Services Operations	-	591	591	-
Total Expenditures	<u>-</u>	<u>591</u>	<u>591</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(591)	(591)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			591	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Mission Achievement Success
 Schedule of Budgetary Comparisons - Budgetary Basis
 Next Generation Assessments 27185
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	19,422	-	(19,422)
Total Revenues	<u>-</u>	<u>19,422</u>	<u>-</u>	<u>(19,422)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	19,422	19,422	-
Total Expenditures	<u>-</u>	<u>19,422</u>	<u>19,422</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(19,422)	(19,422)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(19,422)</u>	<u>(19,422)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(19,422)</u>	<u>(19,422)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			19,422	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	80,285	60,214	(20,071)
Total Revenues	<u>-</u>	<u>80,285</u>	<u>60,214</u>	<u>(20,071)</u>
Expenditures:				
Capital Outlay	-	80,285	80,285	-
Total Expenditures	<u>-</u>	<u>80,285</u>	<u>80,285</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(20,071)	(20,071)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(20,071)</u>	<u>(20,071)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(20,071)</u>	<u>(20,071)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			20,071	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
Wells Fargo Bank, N.A.	FNMA-PT	3138NY4W2	2/1/2043	\$ 110,667
				<u>\$ 110,667</u>

Total Cash per Schedule of Cash Accounts:	\$ 427,766
Less: FDIC Coverage:	(250,000)
Uninsured Public Funds:	<u>177,766</u>

Collateral Requirement:	88,883
Pledged Collateral Held by Pledging Financial Institution:	<u>110,667</u>
Balance Over Collateralized:	<u>21,784</u>

Balance Uninsured and Uncollateralized at June 30, 2014: \$ 67,099

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Mission Achievement Success
 Schedule of Cash Accounts
 June 30, 2014

Bank Account Type	Wells Fargo Bank, N.A
Checking - Operational Account	\$ 427,766
Total on Deposit	427,766
Reconciling Items	(53,222)
Reconciled Balance June 30, 2014	374,544
Less: Agency Funds	(1,516)
Total Cash	<u>\$ 373,028</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Mission Achievement Success
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Non Instructional Account 23000
Cash, June 30, 2013	\$ 17,787	2,110	2,730	-
Add:				
2013-14 Revenues	2,891,722	13,080	180,402	4,138
Total Cash Available	2,909,509	15,190	183,132	4,138
Less:				
2013-14 Expenditures	(2,404,070)	(1,122)	(179,469)	(2,622)
Cash June 30, 2014	505,439	14,068	3,663	1,516
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	(150,142)	-	-	-
Cash per Books	355,297	14,068	3,663	1,516
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	289	-	-	(1,516)
Fund Balance, Modified Accrual Basis	\$ 355,586	14,068	3,663	-

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	State Flowthrough 27000	Public School Capital Outlay 31200	Total
3,605	-	-	26,232
39,259	22,656	60,214	3,211,471
42,864	22,656	60,214	3,237,703
(152,922)	(23,247)	(80,285)	(2,843,737)
(110,058)	(591)	(20,071)	393,966
110,058	591	20,071	(19,422)
-	-	-	374,544
Less: Activity Funds per Schedule of Changes in Assets and Liabilities - Agency Funds:			1,516
Balance Sheets- Governmental Funds:			\$ 373,028
3,605	-	-	2,378
3,605	-	-	376,922

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 402,747
Receivables	
Due from Other Governments	9,748
Total Current Assets	<u>412,495</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	483,997
Furniture, Fixtures, and Equipment	22,353
Less: Accumulated Depreciation	(75,744)
Total Noncurrent Assets	<u>430,606</u>
Total Assets	<u>843,101</u>

LIABILITIES

Current Liabilities:

Accounts Payable	2,445
Accrued Liabilities	102,890
Total Current Liabilities	<u>105,335</u>
Total Liabilities	<u>105,335</u>

NET POSITION

Investment in Capital Assets	430,606
Restricted	291,781
Unrestricted	15,379
Total Net Position	<u>\$ 737,766</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,439,442	230,000	140,350	-	(1,069,092)
Support Services:					
Students	201,365	-	-	-	(201,365)
General Administration	36,562	-	-	-	(36,562)
School Administration	97,050	-	-	-	(97,050)
Central Services	85,991	-	-	-	(85,991)
Operation & Maintenance of Plant Facilities Materials, Supplies & Other Services	536,691	-	-	-	(536,691)
	400,383	-	-	279,331	(121,052)
Total Governmental Activities	\$ 2,797,484	230,000	140,350	279,331	(2,147,803)
General Revenues:					
State Equalization Guarantee					\$ 1,948,996
Property Taxes					350,711
Total General Revenues					2,299,707
Special item					(1,795,224)
Change in Net Position					(1,643,320)
Net Position, Beginning					2,401,191
Removal of Foundation, See Notes					(20,105)
Net Position, Beginning as Restated					2,381,086
Net Position, Ending					\$ 737,766

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
Cash and Cash Equivalents	\$ 116,126	62,122	-	-
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	4,588	-	-	-
Total Assets	\$ 120,714	62,122	-	-
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 2,445	-	-	-
Accrued Expenditures	102,890	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	105,335	-	-	-
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	62,122	-	-
Capital Outlay	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	15,379	-	-	-
Total Fund Balance	15,379	62,122	-	-
Total Liabilities and Fund Balance	\$ 120,714	62,122	-	-

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	-	122,707	101,792	402,747
4,588	-	5,132	28	9,748
-	-	-	-	4,588
<u>4,588</u>	<u>-</u>	<u>127,839</u>	<u>101,820</u>	<u>417,083</u>
-	-	-	-	2,445
-	-	-	-	102,890
<u>4,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,588</u>
<u>4,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>109,923</u>
-	-	-	-	62,122
-	-	127,839	101,820	229,659
-	-	-	-	15,379
<u>-</u>	<u>-</u>	<u>127,839</u>	<u>101,820</u>	<u>307,160</u>
<u>4,588</u>	<u>-</u>	<u>127,839</u>	<u>101,820</u>	<u>417,083</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Montessori Elementary
 Reconciliation of the Balance Sheets - Governmental Funds
 to Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 307,160**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	506,350	
Accumulated Depreciation	(75,744)	
	430,606	430,606

Net Position-Total Governmental Activities **\$ 737,766**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Property Taxes	\$ -	-	-	-
State Grant	1,948,996	21,823	-	-
Federal Grant	-	-	51,696	62,243
Charges for Services	230,000	-	-	-
Total Revenues	2,178,996	21,823	51,696	62,243
Expenditures:				
Current:				
Instruction	1,335,248	1,246	51,696	44,734
Support Services:				
Students	183,856	-	-	17,509
General Administration	36,562	-	-	-
School Administration	97,050	-	-	-
Central Services	85,991	-	-	-
Operation & Maintenance of Plant	523,017	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	2,261,724	1,246	51,696	62,243
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(82,728)</i>	<i>20,577</i>	<i>-</i>	<i>-</i>
Net Changes in Fund Balances	(82,728)	20,577	-	-
Fund Balances - Beginning of Year	98,107	41,545	-	-
Fund Balances - End of Year	\$ 15,379	62,122	-	-

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	-	245,147	105,564	350,711
-	279,331	-	-	2,250,150
4,588	-	-	-	118,527
-	-	-	-	230,000
<u>4,588</u>	<u>279,331</u>	<u>245,147</u>	<u>105,564</u>	<u>2,949,388</u>
4,588	-	-	-	1,437,512
-	-	-	-	201,365
-	-	-	-	36,562
-	-	-	-	97,050
-	-	-	-	85,991
-	-	-	-	523,017
-	279,331	117,308	3,744	400,383
<u>4,588</u>	<u>279,331</u>	<u>117,308</u>	<u>3,744</u>	<u>2,781,880</u>
-	-	127,839	101,820	167,508
-	-	127,839	101,820	167,508
-	-	-	-	139,652
-	-	127,839	101,820	307,160

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change In Fund Balances-Total Governmental Funds **\$ 167,508**

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

The net effect of various miscellaneous transactions involving capital assets is to decrease net assets. (1,795,224)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation Expense	(15,604)	
		(1,810,828)

Change In Net Position-Total Governmental Activities **\$ (1,643,320)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Montessori Elementary
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 3,105
Accounts Receivable	<u>550</u>
Total Assets	<u><u>\$ 3,655</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 3,655</u>
Total Liabilities	<u><u>\$ 3,655</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Montessori Elementary
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 1,072	91,545	89,512	3,105
Accounts Receivable	1,785	550	1,785	550
Total Assets	<u>\$ 2,857</u>	<u>92,095</u>	<u>91,297</u>	<u>3,655</u>
LIABILITIES				
Deposits Held for Others	\$ 2,857	92,095	91,297	3,655
Total Liabilities	<u>\$ 2,857</u>	<u>92,095</u>	<u>91,297</u>	<u>3,655</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Notes to the Financial Statements
Montessori Elementary
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. Montessori Elementary capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Montessori Elementary does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The Department utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Computer equipment and business machines	5 years
General equipment and musical instruments	8 years
Vehicles, trucks, and trailers	8 years
Furniture, major appliances, and large equipment	10 years
Portable school buildings	25 years
Improvements to land and buildings	20 years
Buildings	40 years

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and improvements	\$ 4,842,471	-	(4,358,474)	483,997
Furniture, fixtures and equipment	22,353		-	22,353
<i>Total</i>	<u>4,864,824</u>	<u>-</u>	<u>(4,358,474)</u>	<u>506,350</u>
<i>Less: Accumulated Depreciation</i>				
Buildings and improvements	(594,005)	(15,604)	533,865	(75,744)
<i>Total</i>	<u>(594,005)</u>	<u>(15,604)</u>	<u>533,865</u>	<u>(75,744)</u>
Fixed Assets, Net	<u>\$ 4,270,819</u>	<u>(15,604)</u>	<u>(3,824,609)</u>	<u>430,606</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Notes to the Financial Statements
 Montessori Elementary
 June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 1,930
Operations/Plant Maintenance	13,674
Total	<u>\$ 15,604</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

Leases

Montessori Elementary leased facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 were \$600,000.

The following is a schedule by years of future lease payments under operating leases as of June 30, 2014.

Year Ending June 30:	
2015	<u>\$ 600,000</u>
Total operating lease payments	<u>\$ 600,000</u>

NOTE 4. RELATED PARTIES

The business manager and his spouse operate a company that provide the bookkeeping services for the school, La Promesa Early Learning Center, and the Gilbert Sena Charter High School.

The principal's daughter works for the school as a contractor. The Nepotism Act was waived by governing council in FY 2008.

NOTE 5. OVERSPENT BUDGET LINE ITEMS

As stated in the finding 2010-030 [CS 2010-30-GG], Montessori Elementary had expended in excess of the following funds and functional groups:

Operational 11000	
Support Services	\$ 390

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Notes to the Financial Statements
Montessori Elementary
June 30, 2014**

NOTE 6. SPECIAL ITEM

During the fiscal year, the School moved out of its Jefferson location and entered into a new operating lease. In previous years, the school had been in a capital lease for the Jefferson location. The building under the old lease and the debt associated with the capital lease has been eliminated in fiscal year 2014. The net effect of the entry is a \$1,795,224 decrease to net assets and the transaction is shown as a special item on the Statement of Activities. Furthermore, the June 30, 2013 financial statements reported a foundation as a discretely presented component unit of the School. During the fiscal year ended June 30, 2014 additional analysis identified that the foundation was not a component of the school and should be removed. As a result the Statement of Activities beginning net position was restated by \$20,105.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,949,000	1,949,000	1,948,996	(4)
Charges for Services	110,000	240,000	230,000	(10,000)
Total Revenues	<u>2,059,000</u>	<u>2,189,000</u>	<u>2,178,996</u>	<u>(10,004)</u>
Expenditures:				
Current:				
Instruction	1,226,877	1,385,976	1,338,891	47,085
Support Services:				
Students	190,669	190,669	184,621	6,048
General Administration	22,000	36,700	35,682	1,018
School Administration	97,913	97,913	97,695	218
Central Services	85,995	85,995	85,991	4
Operation & Maintenance of Plant	465,546	508,846	516,524	(7,678)
Total Expenditures	<u>2,089,000</u>	<u>2,306,099</u>	<u>2,259,404</u>	<u>46,695</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(30,000)</u>	<u>(117,099)</u>	<u>(80,408)</u>	<u>36,691</u>
Other Financing Sources (Uses):				
Designated Cash	30,000	117,099	-	(117,099)
Total Other Financing Sources (Uses):	<u>30,000</u>	<u>117,099</u>	<u>-</u>	<u>(117,099)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(80,408)</u>	<u>(80,408)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>98,107</u>	<u>98,107</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>17,699</u>	<u>17,699</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(2,320)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (82,728)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 20,424	20,424	27,514	7,090
Total Revenues	<u>20,424</u>	<u>20,424</u>	<u>27,514</u>	<u>7,090</u>
Expenditures:				
Current:				
Instruction	20,424	20,424	1,246	19,178
Total Expenditures	<u>20,424</u>	<u>20,424</u>	<u>1,246</u>	<u>19,178</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>26,268</u>	<u>26,268</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>26,268</u>	<u>26,268</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>41,545</u>	<u>41,545</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>67,813</u>	<u>67,813</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(5,691)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 20,577</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Montessori Elementary
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I - IASA 24101
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 50,135	51,696	51,696	-
Total Revenues	<u>50,135</u>	<u>51,696</u>	<u>51,696</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	50,135	51,696	51,696	-
Total Expenditures	<u>50,135</u>	<u>51,696</u>	<u>51,696</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 60,021	89,819	62,243	(27,576)
Total Revenues	<u>60,021</u>	<u>89,819</u>	<u>62,243</u>	<u>(27,576)</u>
Expenditures:				
Current:				
Instruction	34,550	57,009	44,734	12,275
Support Services:				
Students	25,471	32,810	17,509	15,301
Total Expenditures	<u>60,021</u>	<u>89,819</u>	<u>62,243</u>	<u>27,576</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Montessori Elementary
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 11,259	11,259	4,588	(6,671)
Total Revenues	<u>11,259</u>	<u>11,259</u>	<u>4,588</u>	<u>(6,671)</u>
Expenditures:				
Current:				
Instruction	11,259	11,259	4,588	6,671
Total Expenditures	<u>11,259</u>	<u>11,259</u>	<u>4,588</u>	<u>6,671</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	279,331	279,331	-
Total Revenues	<u>-</u>	<u>279,331</u>	<u>279,331</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	279,331	279,331	-
Total Expenditures	<u>-</u>	<u>279,331</u>	<u>279,331</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Schedule of Budgetary Comparisons - Budgetary Basis
HB-33 Capital Improvements 31600
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 222,592	222,592	221,125	(1,467)
Total Revenues	<u>222,592</u>	<u>222,592</u>	<u>221,125</u>	<u>(1,467)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	2,093	2,093	-	2,093
Capital Outlay	362,778	362,778	117,308	245,470
Total Expenditures	<u>364,871</u>	<u>364,871</u>	<u>117,308</u>	<u>247,563</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(142,279)</u>	<u>(142,279)</u>	<u>103,817</u>	<u>246,096</u>
Other Financing Sources (Uses):				
Designated Cash	142,279	142,279	-	(142,279)
Total Other Financing Sources (Uses):	<u>142,279</u>	<u>142,279</u>	<u>-</u>	<u>(142,279)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>103,817</u>	<u>103,817</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>103,817</u>	<u>103,817</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>24,022</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 127,839</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 111,310	111,310	105,536	(5,774)
State Grant	29,160	29,160	-	(29,160)
Total Revenues	<u>140,470</u>	<u>140,470</u>	<u>105,536</u>	<u>(34,934)</u>
Expenditures:				
Current:				
Support Services:	-	-		
General Administration	1,113	1,113	-	1,113
Capital outlay	139,357	139,357	3,744	135,613
Total Expenditures	<u>140,470</u>	<u>140,470</u>	<u>3,744</u>	<u>136,726</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>101,792</u>	<u>101,792</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>101,792</u>	<u>101,792</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>101,792</u>	<u>101,792</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>28</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 101,820</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo Bank, N.A.	FN AH0946	318A2BQ1	12/1/2040	\$ 9,865
Wells Fargo Bank, N.A.	FN AR2636	318NY4W2	2/1/2043	78,390
Wells Fargo Bank, N.A.	FN MA1306	31418ANY0	1/1/2043	58,886
				<u>\$ 147,141</u>

Total Cash per Schedule of Cash Accounts:	\$	477,110
Less: FDIC Coverage:		<u>(250,000)</u>
Uninsured Public Funds:		227,110
Collateral Requirement:		113,555
Pledged Collateral Held by Pledging Financial Institution:		<u>147,141</u>
Balance over Collateralized:		<u>33,586</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>79,969</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Montessori Elementary
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank, N.A.</u>
Checking - Operational Account	<u>\$ 477,110</u>
<i>Total on Deposit</i>	477,110
Reconciling Items	<u>(71,258)</u>
<i>Reconciled Balance June 30, 2014</i>	<u>405,852</u>
Less: Agency Funds	<u>(3,105)</u>
<i>Total Cash</i>	<u><u>\$ 402,747</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Montessori Elementary
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Student Activity Account 23000
Cash, June 30, 2013	\$ 98,107	41,545	1,072
Add:			
2013-14 Revenues	2,178,996	27,514	92,095
Total Cash Available	2,277,103	69,059	93,167
Less:			
2013-14 Expenditures	(2,259,404)	(1,246)	(90,062)
Receivables/Payables	103,015	(5,691)	-
Cash June 30, 2014	120,714	62,122	3,105
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	(4,588)	-	-
Cash per Books	116,126	62,122	3,105
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(100,747)	-	(3,105)
Fund Balance, Modified Accrual Basis	\$ 15,379	62,122	-

The accompanying notes are an integral part of these financial statements

Federal Flow through Account 24000	Public School Capital Outlay 31200	HB-33 Capital Improvements 31600	SB-9 Capital Improvements 31700	Total
-	-	18,889	-	159,613
<u>118,527</u>	<u>279,331</u>	<u>221,125</u>	<u>105,536</u>	<u>3,023,124</u>
118,527	279,331	240,014	105,536	3,182,737
(118,527)	(279,331)	(117,307)	(3,744)	(2,869,621)
(4,588)	-	-	-	92,736
<u>(4,588)</u>	<u>-</u>	<u>122,707</u>	<u>101,792</u>	<u>405,852</u>
<u>4,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>122,707</u>	<u>101,792</u>	<u>405,852</u>
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:				3,105
Balance Sheets - Governmental Funds				<u>\$ 402,747</u>
<u>-</u>	<u>-</u>	<u>5,132</u>	<u>28</u>	<u>(98,692)</u>
<u>-</u>	<u>-</u>	<u>127,839</u>	<u>101,820</u>	<u>307,160</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Statement of Net Position
June 30, 2014

ASSETS

Current assets:

Cash	\$	594,879
Receivables		
Due from Other Governments		172,161
Total Current Assets		<u>767,040</u>

Noncurrent Assets:

Capital Assets		
Building		2,636,589
Furniture, Fixtures, and Equipment		68,000
Building Improvements		50,968
Vehicle		32,593
Less: Accumulated Depreciation		(435,544)
Total Noncurrent Assets		<u>2,352,606</u>

Total Assets		<u>3,119,646</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		9,280
Accrued Liabilities		120,443
Current Portion of Capital Lease Obligation		167,705
Total Current Liabilities		<u>297,428</u>

Noncurrent liabilities:

Noncurrent Portion of Capital Lease Obligation		2,191,331
Total Noncurrent liabilities		<u>2,191,331</u>

Total Liabilities		<u>2,488,759</u>
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NET POSITION

Restricted		165,212
Unrestricted		465,675

Total Net Position	\$	<u>630,887</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 953,650	1,171	178,932	-	(773,547)
Support services:					
Students	119,674	-	-	-	(119,674)
Instruction	20,485	-	-	-	(20,485)
General Administration	80,876	-	-	-	(80,876)
School Administration	354,831	-	-	-	(354,831)
Central Services	187,742	-	-	-	(187,742)
Operation & Maintenance of Plant	835,731	-	-	116,908	(718,823)
Student Transportation	8,139	-	-	-	(8,139)
Food Service Operations	90,994	466	73,959	-	(16,569)
Facilities Materials, Supplies & Other Services	318,548	-	-	318,546	(2)
Total Governmental Activities	\$ 2,970,670	1,637	252,891	435,454	(2,280,688)
General Revenues:					
State Equalization Guarantee					\$ 2,270,978
Miscellaneous					<u>76,306</u>
Total General Revenues					<u>2,347,284</u>
Change in Net Position					66,596
Net Position-Beginning					<u>564,291</u>
Net Position-Ending					<u>\$ 630,887</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 429,667	41,841	6,463	-	-
Accounts receivable					
Due from other governments	10,994	-	-	41,939	24,019
Due from other funds	148,901	-	-	-	-
<i>Total Assets</i>	<u>\$ 589,562</u>	<u>41,841</u>	<u>6,463</u>	<u>41,939</u>	<u>24,019</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts payable	\$ 9,280	-	-	-	-
Accrued expenses	108,177	-	-	9,660	2,606
Due to other funds	-	-	-	32,279	21,413
<i>Total Liabilities</i>	<u>117,457</u>	<u>-</u>	<u>-</u>	<u>41,939</u>	<u>24,019</u>
<i>Fund Balances</i>					
Fund Balance:					
Restricted for:					
Student Instruction	-	41,841	-	-	-
Food Services	-	-	6,463	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditure and Other Programs	472,105	-	-	-	-
<i>Total Fund Balance</i>	<u>472,105</u>	<u>41,841</u>	<u>6,463</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 589,562</u>	<u>41,841</u>	<u>6,463</u>	<u>41,939</u>	<u>24,019</u>

English Language Acquisition 24153	Teacher and Principal Training 24154	Next Generation Assessments 27185	Public Schools Capital Outlay 31200	Capital Improvements SB-9 31700	Total
-	-	-	-	116,908	594,879
7,743	3,029	4,802	79,635	-	172,161
-	-	-	-	-	148,901
<u>7,743</u>	<u>3,029</u>	<u>4,802</u>	<u>79,635</u>	<u>116,908</u>	<u>915,941</u>
-	-	-	-	-	9,280
-	-	-	-	-	120,443
7,743	3,029	4,802	79,635	-	148,901
<u>7,743</u>	<u>3,029</u>	<u>4,802</u>	<u>79,635</u>	<u>-</u>	<u>278,624</u>
-	-	-	-	-	41,841
-	-	-	-	-	6,463
-	-	-	-	116,908	116,908
-	-	-	-	-	472,105
-	-	-	-	116,908	637,317
<u>7,743</u>	<u>3,029</u>	<u>4,802</u>	<u>79,635</u>	<u>116,908</u>	<u>915,941</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Reconciliation of the Balance Sheet of Governmental Funds to
the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 637,317**

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital assets	2,788,150	
Accumulated depreciation	(435,544)	
	2,352,606	2,352,606

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Capital lease obligation	(2,359,036)	
	(2,359,036)	(2,359,036)

Net Position-Total Governmental Activities **\$ 630,887**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ 4,919	-	-	-	-
State grant	2,270,978	30,025	-	-	-
Federal grant	-	-	73,959	104,395	24,019
Charges for services	-	-	466	-	-
Miscellaneous income	77,477	-	-	-	-
Total Revenues	<u>2,353,374</u>	<u>30,025</u>	<u>74,425</u>	<u>104,395</u>	<u>24,019</u>
Expenditures:					
Current:					
Instruction	825,280	13,481	-	104,395	922
Support Services:					
Students	96,577	-	-	-	23,097
Instruction	15,683	-	-	-	-
General Administration	80,876	-	-	-	-
School Administration	351,802	-	-	-	-
Central Services	187,742	-	-	-	-
Operation & Maintenance of Plant	798,980	-	-	-	-
Student Transportation	1,620	-	-	-	-
Food Services Operations	16,282	-	74,712	-	-
Capital outlay	-	-	-	-	-
Total Expenditures	<u>2,374,842</u>	<u>13,481</u>	<u>74,712</u>	<u>104,395</u>	<u>24,019</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(21,468)</u>	<u>16,544</u>	<u>(287)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(21,468)</u>	<u>16,544</u>	<u>(287)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>493,573</u>	<u>25,297</u>	<u>6,750</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 472,105</u>	<u>41,841</u>	<u>6,463</u>	<u>-</u>	<u>-</u>

English Language Acquisition 24153	Teacher and Principal Training 24154	Next Generation Assessments 27185	Public Schools Capital Outlay 31200	Capital Improvements SB-9 31700	Total
-	-	-	-	116,908	121,827
-	-	4,802	318,546	-	2,624,351
7,743	3,029	-	-	-	213,145
-	-	-	-	-	466
-	-	-	-	-	77,477
<u>7,743</u>	<u>3,029</u>	<u>4,802</u>	<u>318,546</u>	<u>116,908</u>	<u>3,037,266</u>
7,743	-	-	-	-	951,821
-	-	-	-	-	119,674
-	-	4,802	-	-	20,485
-	-	-	-	-	80,876
-	3,029	-	-	-	354,831
-	-	-	-	-	187,742
-	-	-	-	-	798,980
-	-	-	-	-	1,620
-	-	-	-	-	90,994
-	-	-	318,548	-	318,548
<u>7,743</u>	<u>3,029</u>	<u>4,802</u>	<u>318,548</u>	<u>-</u>	<u>2,925,571</u>
-	-	-	(2)	116,908	111,695
-	-	-	(2)	116,908	111,695
-	-	-	2	-	525,622
-	-	-	-	116,908	637,317

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances for Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net Change in Fund Balances-Total Governmental Funds **\$ 111,695**

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

The issuance of long-term debt (e.g., bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This is the amount of principal payments applied to the lease liability.

146,646

Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays

-

Depreciation expense

(191,745)

(191,745)

Change in Net Position-Total Governmental Activities

\$ 66,596

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 732</u>
Total Assets	<u><u>\$ 732</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 732</u>
Total Liabilities	<u><u>\$ 732</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in bank	\$ 1,397	7,032	7,697	732
Total Assets	<u>\$ 1,397</u>	<u>7,032</u>	<u>7,697</u>	<u>732</u>
LIABILITIES				
Deposits held for others	\$ 1,397	7,032	7,697	732
Total Liabilities	<u>\$ 1,397</u>	<u>7,032</u>	<u>7,697</u>	<u>732</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE NEW AMERICA SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital Assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The New America School's (NAS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The NAS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The NAS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	3 years
Building	15 years
Building Improvements	3-5 years
Vehicles	5 years

Capital assets for the NAS unit are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 68,000	-	-	68,000
Building	2,636,589	-	-	2,636,589
Buildings Improvements	50,968	-	-	50,968
Vehicles	32,593	-	-	32,593
<i>Total</i>	<u>2,788,150</u>	-	-	<u>2,788,150</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(68,000)	-	-	(68,000)
Building	(131,101)	(174,801)	-	(305,902)
Buildings Improvements	(24,598)	(10,425)	-	(35,023)
Vehicles	(20,100)	(6,519)	-	(26,619)
<i>Total</i>	<u>(243,799)</u>	<u>(191,745)</u>	-	<u>(435,544)</u>
Net Capital Assets	<u>\$ 2,544,351</u>	<u>(191,745)</u>	-	<u>2,352,606</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE NEW AMERICA SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CAPITAL ASSETS (Continued)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	1,829
Operations/Plant Maintenance		183,397
Student Transportation		6,519
Total	\$	191,745

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

Beginning September 2012, the NAS converted the operating lease for the building to a capital lease with the landlord, CSDCPC NAS, LLC. The lease passes title to the School at the end of the lease term and there is a bargain purchase option. The following is an analysis of the leased property under capital leases by major class:

<u>Classes of Property</u>		<u>Asset Balance</u>
Building	\$	2,636,589
Less: Accumulated amortization		(305,902)
	\$	2,330,687

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2014.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 167,705	251,810	419,515
2016	164,320	233,985	398,305
2017	183,426	214,879	398,305
2018	133,245	195,825	329,070
2019	110,969	183,484	294,453
2020- 2024	781,131	691,136	1,472,267
2025- 2029	818,240	163,717	981,957
Total	\$ 2,359,036	1,934,836	4,293,872

The total outstanding principal balance under this capital lease is reflected on the Statement of Net Position as current and noncurrent portions of long-term debt of \$167,705 and \$2,191,331, respectively.

NOTE 4. RELATED PARTIES

The business manager services are performed by the Vigil Group which performs services for multiple state charter schools.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	3,452	4,919	1,467
State Grant	2,270,979	2,270,979	2,270,979	-
Miscellaneous Income	-	64,593	66,483	1,890
Total Revenues	<u>2,270,979</u>	<u>2,339,024</u>	<u>2,342,381</u>	<u>3,357</u>
Expenditures:				
Current:				
Instruction	991,547	1,059,592	828,747	230,845
Support Services:				
Students	67,530	97,390	96,577	813
Instruction	25,000	19,366	15,683	3,683
General Administration	65,010	103,543	80,875	22,668
School Administration	360,292	364,786	351,802	12,984
Central Services	181,753	212,030	187,742	24,288
Operation & Maintenance of Plant	945,697	906,863	789,700	117,163
Student Transportation	2,454	2,454	1,620	834
Food Services Operations	4,135	16,489	16,283	206
Total Expenditures	<u>2,643,418</u>	<u>2,782,513</u>	<u>2,369,029</u>	<u>413,484</u>
Deficiency of Revenues Under Expenditures	<u>(372,439)</u>	<u>(443,489)</u>	<u>(26,648)</u>	<u>416,841</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	-	-
Designated Cash	372,439	443,489	-	(443,489)
Total Other Financing Sources (Uses):	<u>372,439</u>	<u>443,489</u>	<u>-</u>	<u>(443,489)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(26,648)</u>	<u>(26,648)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>493,573</u>	<u>493,573</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>466,925</u>	<u>466,925</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			10,993	
Adjustments to Expenditures			(5,813)	
NET CHANGE IN FUND BALANCE			<u>\$ (21,468)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	22,723	30,025	7,302
Total Revenues	<u>-</u>	<u>22,723</u>	<u>30,025</u>	<u>7,302</u>
Expenditures:				
Current:				
Instruction	-	48,020	13,481	34,539
Total Expenditures	<u>-</u>	<u>48,020</u>	<u>13,481</u>	<u>34,539</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(25,297)</u>	<u>16,544</u>	<u>41,841</u>
Other Financing Sources (Uses):				
Designated Cash	-	25,297	-	(25,297)
Total Other Financing Sources (Uses):	<u>-</u>	<u>25,297</u>	<u>-</u>	<u>(25,297)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>16,544</u>	<u>16,544</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25,297</u>	<u>25,297</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>41,841</u>	<u>41,841</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 16,544</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 115,500	76,240	90,660	14,420
Fees	-	-	467	467
Total Revenues	<u>115,500</u>	<u>76,240</u>	<u>91,127</u>	<u>14,887</u>
Expenditures:				
Current:				
Food Services Operations	115,500	76,240	74,712	1,528
Total Expenditures	<u>115,500</u>	<u>76,240</u>	<u>74,712</u>	<u>1,528</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	16,415	16,415
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>16,415</u>	<u>16,415</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(9,952)</u>	<u>(9,952)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,463</u>	<u>6,463</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(16,702)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (287)</u>	

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The New America School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I IASA 24101
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 91,728	123,517	89,972	(33,545)
Charges for Services	-	-	-	-
Total Revenues	<u>91,728</u>	<u>123,517</u>	<u>89,972</u>	<u>(33,545)</u>
Expenditures:				
Current:				
Instruction	91,728	123,517	104,395	19,122
Total expenditures	<u>91,728</u>	<u>123,517</u>	<u>104,395</u>	<u>19,122</u>
Deficiency of Revenues Under Expenditures	-	-	(14,423)	(14,423)
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(14,423)</u>	<u>(14,423)</u>
Cash or Fund Balance - Beginning of Year	<u>-</u>	<u>-</u>	<u>(27,516)</u>	<u>(27,516)</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>(41,939)</u>	<u>(41,939)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			14,423	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	121,799	3,528	(118,271)
Total Revenues	<u>-</u>	<u>121,799</u>	<u>3,528</u>	<u>(118,271)</u>
Expenditures:				
Current:				
Instruction	-	52,089	922	51,167
Support Services:				
Students	-	69,710	23,097	46,613
Total Expenditures	<u>-</u>	<u>121,799</u>	<u>24,019</u>	<u>97,780</u>
Deficiency of Revenues Under Expenditures	-	-	(20,491)	(20,491)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(20,491)</u>	<u>(20,491)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(3,528)</u>	<u>(3,528)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(24,019)</u>	<u>(24,019)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			20,491	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
English Language Acquisition 24153
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 11,216	15,561	8,062	(7,499)
Total Revenues	<u>11,216</u>	<u>15,561</u>	<u>8,062</u>	<u>(7,499)</u>
Expenditures:				
Current:				
Instruction	11,216	15,561	7,743	7,818
Total Expenditures	<u>11,216</u>	<u>15,561</u>	<u>7,743</u>	<u>7,818</u>
Excess of Revenues Over Expenditures	-	-	319	319
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>319</u>	<u>319</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(8,062)</u>	<u>(8,062)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,743)</u>	<u>(7,743)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(319)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher and Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 8,703.00	20,046	10,895	(9,151)
Total Revenues	<u>8,703</u>	<u>20,046</u>	<u>10,895</u>	<u>(9,151)</u>
Expenditures:				
Current:				
Instruction	8,703	12,046	-	12,046
School Administration- Support Services	-	8,000	3,029	4,971
Total Expenditures	<u>8,703</u>	<u>20,046</u>	<u>3,029</u>	<u>17,017</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>7,866</u>	<u>7,866</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>7,866</u>	<u>7,866</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(10,895)</u>	<u>(10,895)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,029)</u>	<u>(3,029)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(7,866)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	16,009	-	(16,009)
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>16,009</u>	<u>-</u>	<u>(16,009)</u>
Expenditures:				
Current:				
Instruction- Support Services	-	16,009	4,802	11,207
Total Expenditures	<u>-</u>	<u>16,009</u>	<u>4,802</u>	<u>11,207</u>
Deficiency of Revenues Under Expenditures	-	-	(4,802)	(4,802)
Other Financing Sources (Uses):				
Designated Cash	-	2,264	-	(2,264)
Total Other Financing Sources (Uses):	<u>-</u>	<u>2,264</u>	<u>-</u>	<u>(2,264)</u>
Net Changes in Fund Balances	<u>-</u>	<u>2,264</u>	<u>(4,802)</u>	<u>(7,066)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>2,264</u>	<u>(4,802)</u>	<u>(7,066)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			4,802	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	318,548	238,911	(79,637)
Total Revenues	<u>-</u>	<u>318,548</u>	<u>238,911</u>	<u>(79,637)</u>
Expenditures:				
Capital Outlay	-	318,548	318,548	-
Total Expenditures	<u>-</u>	<u>318,548</u>	<u>318,548</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(79,637)	(79,637)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(79,637)</u>	<u>(79,637)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(79,635)</u>	<u>(79,635)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			79,635	
NET CHANGE IN FUND BALANCE			<u>\$ (2)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ 132,142	141,904	116,908	(24,996)
Total Revenues	<u>132,142</u>	<u>141,904</u>	<u>116,908</u>	<u>(24,996)</u>
Expenditures:				
Current:				
General Administration- Support Services	1,231	1,231	-	1,231
Capital Outlay	130,911	140,673	-	140,673
Total Expenditures	<u>132,142</u>	<u>141,904</u>	<u>-</u>	<u>141,904</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	116,908	116,908
Net Changes in Fund Balances	-	-	116,908	116,908
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>116,908</u>	<u>116,908</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 116,908</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo Bank	FNMA FNMS	3138W9A34	7/1/2043	\$ 193,260
				<u>\$ 193,260</u>

Total Cash per Schedule of Cash Accounts:	\$ 603,896
Less: FDIC coverage:	<u>(250,000)</u>
Uninsured Public Funds:	353,896
Collateral Requirement:	176,948
Pledged Collateral Held by Pledging Financial Institution:	<u>193,260</u>
Balance Over Collateralized:	<u>\$ 16,312</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ 160,636</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 603,164
Checking - Activities Account	<u>732</u>
Total on Deposit	603,896
Reconciling Items	<u>(8,285)</u>
Reconciled Balance June 30, 2014	<u>595,611</u>
Less Agency Funds	<u>(732)</u>
Total Cash	<u><u>\$ 594,879</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The New America School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000
Cash, June 30, 2013	\$ 493,573	25,297	6,750
Add:			
2013-14 revenues	<u>2,342,381</u>	<u>30,025</u>	<u>91,127</u>
Total Cash Available	2,835,954	55,322	97,877
Less:			
2013-14 expenditures	(2,369,029)	(13,481)	(74,712)
Receivables/Payables	111,643	-	(16,702)
Outstanding Loans	<u>(148,901)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>429,667</u>	<u>41,841</u>	<u>6,463</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>429,667</u>	<u>41,841</u>	<u>6,463</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>42,438</u>	<u>-</u>	<u>-</u>
Fund Balance , Modified Accrual Basis	<u>\$ 472,105</u>	<u>41,841</u>	<u>6,463</u>

Activity Account 23000	Federal Project Accounts 24000	State Flow Through Fund 27000	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
1,397	-	-	2	-	527,019
7,032	112,457	-	238,911	116,908	2,938,841
8,429	112,457	-	238,913	116,908	3,465,860
(7,697)	(139,186)	(4,802)	(318,548)	-	(2,927,455)
-	(37,735)	-	-	-	57,206
-	64,464	4,802	79,635	-	-
732	-	-	-	116,908	595,611
-	-	-	-	-	-
732	-	-	-	116,908	595,611
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:					732
Balance Sheets - Governmental Funds:					<u>\$ 594,879</u>
(732)	-	-	-	-	41,706
-	-	-	-	116,908	637,317

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 702,907
Receivables	
Due from Other Governments	59,362
Total Current Assets	<u>762,269</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	45,716
Vehicles	39,604
Furniture, Fixtures, and Equipment	5,191
Less: Accumulated Depreciation	(14,749)
Total Noncurrent Assets	<u>75,762</u>

Total Assets	<u>838,031</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	10,841
Accrued Liabilities	136,139
Total Current Liabilities	<u>146,980</u>

Total Liabilities	<u>146,980</u>
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NET POSITION

Investment in Capital Assets	75,762
Restricted	25,478
Unrestricted	589,811

Total Net Position	<u>\$ 691,051</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Activities
For The Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 845,972	100	73,168	-	(772,704)
Support Services:					
Students	79,499	-	-	-	(79,499)
Instruction	19,863	-	3,183	-	(16,680)
General Administration	49,354	-	12,622	-	(36,732)
School Administration	387,875	-	-	-	(387,875)
Central Services	336,367	-	-	-	(336,367)
Operation & Maintenance of Plant	583,750	-	-	-	(583,750)
Student Transportation	6,254	-	-	-	(6,254)
Food Services	32,457	362	22,399	-	(9,696)
Facilities Materials, Supplies & Other Services	170,189	-	-	170,189	-
Total Governmental Activities	\$ 2,511,580	462	111,372	170,189	(2,229,557)
			General Revenues:		
			State Equalization Guarantee	\$ 2,346,839	
			Miscellaneous	105	
			Total General Revenues	2,346,944	
			Change in Net Position		117,387
			Net Position-Beginning		<u>573,664</u>
			Net Position-Ending	\$ 691,051	<u><u>691,051</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Balance Sheets - Governmental Funds
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Food Services 21000</u>	<u>Title I IASA 24101</u>	<u>IDEA-B Entitlement 24106</u>
ASSETS					
Cash and Cash Equivalents	\$ 677,429	14,106	-	-	-
Accounts receivable					
Due from Government	-	-	-	-	5,393
Due from other funds	59,806	-	-	-	-
Total Assets	<u>\$ 737,235</u>	<u>14,106</u>	<u>-</u>	<u>-</u>	<u>5,393</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 10,841	-	-	-	-
Accrued Expenses	136,116	-	-	-	23
Due to Other Funds	-	-	467	-	5,370
Total Liabilities	<u>146,957</u>	<u>-</u>	<u>467</u>	<u>-</u>	<u>5,393</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	14,106	-	-	-
Spaceport Grant	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	590,278	-	-	-	-
Unassigned (Deficit)	-	-	(467)	-	-
Total Fund Balances	<u>590,278</u>	<u>14,106</u>	<u>(467)</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances (Deficit)	<u>\$ 737,235</u>	<u>14,106</u>	<u>-</u>	<u>-</u>	<u>5,393</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154	Spaceport Grant 26204	2012 SB-66 Student Library 27107	Public School Capital Outlay 31200	Total
-	-	-	11,372	-	-	702,907
506	7,733	-	-	3,183	42,547	59,362
-	-	-	-	-	-	59,806
<u>506</u>	<u>7,733</u>	<u>-</u>	<u>11,372</u>	<u>3,183</u>	<u>42,547</u>	<u>822,075</u>
-	-	-	-	-	-	10,841
-	-	-	-	-	-	136,139
<u>506</u>	<u>7,733</u>	<u>-</u>	<u>-</u>	<u>3,183</u>	<u>42,547</u>	<u>59,806</u>
<u>506</u>	<u>7,733</u>	<u>-</u>	<u>-</u>	<u>3,183</u>	<u>42,547</u>	<u>206,786</u>
-	-	-	-	-	-	14,106
-	-	-	11,372	-	-	11,372
-	-	-	-	-	-	590,278
-	-	-	-	-	-	(467)
-	-	-	11,372	-	-	615,289
<u>506</u>	<u>7,733</u>	<u>-</u>	<u>11,372</u>	<u>3,183</u>	<u>42,547</u>	<u>822,075</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Reconciliation of the Balance Sheets of Governmental Funds to
The Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 615,289**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	90,511	
Accumulated Depreciation	(14,749)	
	75,762	75,762
Net Position-Total Governmental Activities		\$ 691,051

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ -	-	-	-	-
State Grant	2,346,839	26,672	-	-	-
Federal Grant	-	-	14,666	9,218	36,772
Charges for Services	100	-	362	-	-
Miscellaneous Income	105	-	-	-	-
Total Revenues	<u>2,347,044</u>	<u>26,672</u>	<u>15,028</u>	<u>9,218</u>	<u>36,772</u>
Expenditures:					
Current:					
Instruction	759,571	22,324	-	9,218	36,772
Support Services:					
Students	79,499	-	-	-	-
Instruction	16,680	-	-	-	-
General Administration	49,354	-	-	-	-
School Administration	387,875	-	-	-	-
Central Services	336,367	-	-	-	-
Operation & Maintenance of Plant	570,940	-	-	-	-
Student Transportation	40,360	-	-	-	-
Food Services Operations	9,229	-	15,495	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>2,249,875</u>	<u>22,324</u>	<u>15,495</u>	<u>9,218</u>	<u>36,772</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>97,169</u>	<u>4,348</u>	<u>(467)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>97,169</u>	<u>4,348</u>	<u>(467)</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>493,109</u>	<u>9,758</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)- End of Year	<u>\$ 590,278</u>	<u>14,106</u>	<u>(467)</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154	Spaceport Grant 26204	2012 SB-66 Student Library 27107	Public School Capital Outlay 31200	Total
-	-	-	11,372	-	-	11,372
-	-	-	-	3,183	170,189	2,546,883
506	7,733	1,250	-	-	-	70,145
-	-	-	-	-	-	462
-	-	-	-	-	-	105
<u>506</u>	<u>7,733</u>	<u>1,250</u>	<u>11,372</u>	<u>3,183</u>	<u>170,189</u>	<u>2,628,967</u>
506	16,331	1,250	-	-	-	845,972
-	-	-	-	-	-	79,499
-	-	-	-	3,183	-	19,863
-	-	-	-	-	-	49,354
-	-	-	-	-	-	387,875
-	-	-	-	-	-	336,367
-	7,600	-	-	-	-	578,540
-	-	-	-	-	-	40,360
-	7,733	-	-	-	-	32,457
-	-	-	-	-	170,189	170,189
<u>506</u>	<u>31,664</u>	<u>1,250</u>	<u>-</u>	<u>3,183</u>	<u>170,189</u>	<u>2,540,476</u>
-	(23,931)	-	11,372	-	-	88,491
-	(23,931)	-	11,372	-	-	88,491
-	23,931	-	-	-	-	526,798
-	-	-	11,372	-	-	615,289

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New America School - Las Cruces
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 88,491**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 depreciation exceeds capital outlay for the period.

Capital Outlays	39,604	
Depreciation Expense	(10,708)	
	28,896	28,896

Change in Net Position-Total Governmental Activities **\$ 117,387**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 1,724
Total Assets	<u>\$ 1,724</u>
LIABILITIES	
Deposits Held for Others	\$ 1,724
Total Liabilities	<u>\$ 1,724</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 928	4,361	3,565	1,724
Total assets	<u>\$ 928</u>	<u>4,361</u>	<u>3,565</u>	<u>1,724</u>
LIABILITIES				
Deposits Held for Others	\$ 928	4,361	3,565	1,724
Total Liabilities	<u>\$ 928</u>	<u>4,361</u>	<u>3,565</u>	<u>1,724</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE NEW AMERICA SCHOOL – LAS CRUCES
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The New America School- Las Cruces’s (NASLC) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The NASLC does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The NASLC utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	8 years
Buildings and Improvements	10 years
Vehicles	5 years

Capital assets for the NASLC are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 5,191	-	-	5,191
Building and Improvements	45,716	-	-	45,716
Vehicles	-	39,604	-	39,604
<i>Total</i>	<u>50,907</u>	<u>39,604</u>	<u>-</u>	<u>90,511</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(43)	(1,038)	-	(1,081)
Buildings and Improvements	(3,998)	(4,172)	-	(8,170)
Vehicles	-	(5,498)	-	(5,498)
<i>Total</i>	<u>(4,041)</u>	<u>(10,708)</u>	<u>-</u>	<u>(14,749)</u>
Net Capital Assets	<u>\$ 46,866</u>	<u>28,896</u>	<u>-</u>	<u>75,762</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
THE NEW AMERICA SCHOOL – LAS CRUCES
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Operations/Plant Maintenance	\$	5,210
Student Transportation		<u>5,498</u>
Total	\$	<u>10,708</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The school leased facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 were \$337,785.

The following is a schedule by years of future lease payments under operating leases as of June 30, 2014.

Year Ending June 30:		
2015	\$	371,250
2016		371,250
2017		371,250
2018		371,250
2019		<u>396,000</u>
Total Operating Lease Payments	\$	<u>1,881,000</u>

NOTE 4. RELATED PARTIES

The business manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

NOTE 5. DEFICIT FUND BALANCE

At June 30, 2014, the Food Services fund had a deficit fund balance of \$467. This School plans on collecting more revenues than expenditures in the next fiscal year.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,780,778	2,346,841	2,346,839	(2)
Charges for Services	-	-	100	100
Miscellaneous Income	-	-	105	105
Total Revenues	<u>1,780,778</u>	<u>2,346,841</u>	<u>2,347,044</u>	<u>203</u>
Expenditures:				
Current:				
Instruction	756,763	1,023,480	762,518	260,962
Support Services:				
Students	73,057	80,607	79,499	1,108
Instruction	12,500	19,499	16,680	2,819
General Administration	32,000	65,505	52,220	13,285
School Administration	276,842	427,647	387,227	40,420
Central Services	327,396	383,549	344,067	39,482
Operation & Maintenance of Plant	688,295	819,368	580,208	239,160
Student Transportation	-	41,165	40,360	805
Food Services Operations	-	12,103	9,229	2,874
Total Expenditures	<u>2,166,853</u>	<u>2,872,923</u>	<u>2,272,008</u>	<u>600,915</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(386,075)</u>	<u>(526,082)</u>	<u>75,036</u>	<u>601,118</u>
Other Financing Sources (Uses):				
Designated Cash	386,075	526,082	-	(526,082)
Total Other Financing Sources (Uses):	<u>386,075</u>	<u>526,082</u>	<u>-</u>	<u>(526,082)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>75,036</u>	<u>75,036</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>609,887</u>	<u>609,887</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>684,923</u>	<u>684,923</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>22,133</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 97,169</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	12,565	26,671	14,106
Total Revenues	<u>-</u>	<u>12,565</u>	<u>26,671</u>	<u>14,106</u>
Expenditures:				
Current:				
Instruction	-	22,323	22,323	-
Total Expenditures	<u>-</u>	<u>22,323</u>	<u>22,323</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(9,758)</u>	<u>4,348</u>	<u>14,106</u>
Other Financing Sources (Uses):				
Designated Cash	-	9,758	-	(9,758)
Total Other Financing Sources (Uses):	<u>-</u>	<u>9,758</u>	<u>-</u>	<u>(9,758)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,348</u>	<u>4,348</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>9,758</u>	<u>9,758</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>14,106</u>	<u>14,106</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 4,348</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	17,405	14,666	(2,739)
Charges for Services	-	-	362	362
Total Revenues	<u>-</u>	<u>17,405</u>	<u>15,028</u>	<u>(2,377)</u>
Expenditures:				
Food Services Operations	-	17,405	15,495	1,910
Total Expenditures	<u>-</u>	<u>17,405</u>	<u>15,495</u>	<u>1,910</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(467)</u>	<u>(467)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(467)</u>	<u>(467)</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(467)</u>	<u>(467)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (467)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 16,100	45,943	9,218	(36,725)
Total Revenues	<u>16,100</u>	<u>45,943</u>	<u>9,218</u>	<u>(36,725)</u>
Expenditures:				
Current:				
Instruction	16,100	45,943	9,218	36,725
Total Expenditures	<u>16,100</u>	<u>45,943</u>	<u>9,218</u>	<u>36,725</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 36,476	38,400	31,379	(7,021)
Total Revenues	<u>36,476</u>	<u>38,400</u>	<u>31,379</u>	<u>(7,021)</u>
Expenditures:				
Current:				
Instruction	36,476	38,400	36,772	1,628
Total Expenditures	<u>36,476</u>	<u>38,400</u>	<u>36,772</u>	<u>1,628</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,393)</u>	<u>(5,393)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,393)</u>	<u>(5,393)</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,393)</u>	<u>(5,393)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>5,393</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	506	-	(506)
Total Revenues	<u>-</u>	<u>506</u>	<u>-</u>	<u>(506)</u>
Expenditures:				
Current:				
Instruction	-	506	506	-
Total Expenditures	<u>-</u>	<u>506</u>	<u>506</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(506)</u>	<u>(506)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(506)</u>	<u>(506)</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(506)</u>	<u>(506)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>506</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter School Planning 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	7,734	-	(7,734)
Total Revenues	<u>-</u>	<u>7,734</u>	<u>-</u>	<u>(7,734)</u>
Expenditures:				
Current:				
Instruction	-	16,331	16,331	-
Food Services Operations	-	7,734	7,733	1
Total Expenditures	<u>-</u>	<u>24,065</u>	<u>24,064</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>(16,331)</u>	<u>(24,064)</u>	<u>(7,733)</u>
Other Financing Sources (Uses):				
Designated Cash	-	16,331	-	(16,331)
Total other Financing Sources (Uses):	<u>-</u>	<u>16,331</u>	<u>-</u>	<u>(16,331)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(24,064)</u>	<u>(24,064)</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,931</u>	<u>23,931</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(133)</u>	<u>(133)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			7,733	
Adjustments to Expenditures			<u>(7,600)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (23,931)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 2,003	2,003	1,250	(753)
Total Revenues	<u>2,003</u>	<u>2,003</u>	<u>1,250</u>	<u>(753)</u>
Expenditures:				
Current:				
Instruction	2,003	2,003	1,250	753
Total Expenditures	<u>2,003</u>	<u>2,003</u>	<u>1,250</u>	<u>753</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Spaceport Grant 26204
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	11,372	11,372	-
Total Revenues	<u>-</u>	<u>11,372</u>	<u>11,372</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	11,372	-	11,372
Total Expenditures	<u>-</u>	<u>11,372</u>	<u>-</u>	<u>11,372</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>11,372</u>	<u>11,372</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,372</u>	<u>11,372</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>11,372</u>	<u>11,372</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 11,372</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
2012 SB-66 Student Library 27107
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,184	3,184	-	(3,184)
Total Revenues	<u>3,184</u>	<u>3,184</u>	<u>-</u>	<u>(3,184)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,184	3,184	3,183	1
Total Expenditures	<u>3,184</u>	<u>3,184</u>	<u>3,183</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	-	-	(3,183)	(3,183)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,183)</u>	<u>(3,183)</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,183)</u>	<u>(3,183)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			3,183	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	170,189	127,642	(42,547)
Total Revenues	<u>-</u>	<u>170,189</u>	<u>127,642</u>	<u>(42,547)</u>
Expenditures:				
Capital Outlay	-	170,189	170,189	-
Total Expenditures	<u>-</u>	<u>170,189</u>	<u>170,189</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(42,547)</u>	<u>(42,547)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(42,547)</u>	<u>(42,547)</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(42,547)</u>	<u>(42,547)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>42,547</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Citizens Bank	FHLB	313379EE5	6/14/2019	\$ 495,289
				<u>\$ 495,289</u>

Total Cash per Schedule of Cash Accounts:	\$	721,963
Less: FDIC Coverage:		<u>(250,000)</u>
Uninsured Public Funds:		471,963
Collateral Requirement:		235,982
Pledged Collateral Held by Pledging Financial Institution:		<u>495,289</u>
Balance Over Collateralized:	\$	<u>259,307</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New America School - Las Cruces
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Citizens Bank</u>
Checking - Operational Account	\$ 720,239
Checking - Activity Account	<u>1,724</u>
Total on Deposit	721,963
Reconciling Items	<u>(17,332)</u>
Reconciled Balance June 30, 2014	<u>704,631</u>
Less: Agency Funds	<u>(1,724)</u>
Total Cash	<u><u>\$ 702,907</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New America School - Las Cruces
Cash Reconciliation
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Food Services 21000</u>	<u>Non-Instructional Support 23000</u>
Cash, June 30, 2013	\$ 493,109	9,758	-	928
Add:				
2013-14 Revenues	<u>2,347,044</u>	<u>26,672</u>	<u>15,028</u>	<u>4,361</u>
Total Cash Available	2,840,153	36,430	15,028	5,289
Less:				
2013-14 Expenditures	(2,272,008)	(22,324)	(15,495)	(3,565)
Receivables/Payables	<u>169,090</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>737,235</u>	<u>14,106</u>	<u>(467)</u>	<u>1,724</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>(59,806)</u>	<u>-</u>	<u>467</u>	<u>-</u>
Cash per Books	<u>677,429</u>	<u>14,106</u>	<u>-</u>	<u>1,724</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(87,151)</u>	<u>-</u>	<u>(467)</u>	<u>(1,724)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 590,278</u>	<u>14,106</u>	<u>(467)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Local Grants Account 26000	State Account 27000	Public School Capital Outlay 31200	Total
23,931	-	-	-	527,726
41,847	11,372	-	127,642	2,573,966
65,778	11,372	-	127,642	3,101,692
(71,810)	-	(3,183)	(170,189)	(2,558,574)
(7,577)	-	-	-	161,513
(13,609)	11,372	(3,183)	(42,547)	704,631
13,609	-	3,183	42,547	-
-	11,372	-	-	704,631
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:				(1,724)
Balance Sheets - Governmental Funds:				\$ 702,907
-	-	-	-	(89,342)
-	11,372	-	-	615,289

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	343,338
Receivables		
Due from Other Governments		48,566
Total Current Assets		<u>391,904</u>
Total Assets		<u>391,904</u>

LIABILITIES

Current Liabilities

Accounts Payable		4,990
Accrued Liabilities		252,382
Total Current Liabilities		<u>257,372</u>
Total Liabilities		<u>257,372</u>

NET POSITION

Restricted		25,723
Unrestricted		108,809
Total Net Position	\$	<u><u>134,532</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Statement of Activities
 For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 2,073,213	-	237,305	-	(1,835,908)
Support Services					
Students	276,046	-	-	-	(276,046)
Instruction	15,484	-	-	-	(15,484)
General Administration	32,925	-	-	-	(32,925)
School Administration	159,902	-	-	-	(159,902)
Central Services	89,944	-	-	-	(89,944)
Operation & Maintenance of Plant	129,057	-	-	-	(129,057)
Total Governmental Activities	\$ 2,776,571	-	237,305	-	(2,539,266)
General Revenues:					
State Equalization Guarantee					<u>\$ 2,673,798</u>
Total General Revenues					<u>2,673,798</u>
Change in Net Position					134,532
Net Position, Beginning					<u>-</u>
Net Position, Ending					<u>\$ 134,532</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Total
ASSETS							
Cash and Cash Equivalents	\$ 317,615	25,723	-	-	-	-	343,338
Accounts Receivable							
Due from Government	-	-	2,552	33,841	1,012	11,161	48,566
Due from Other Funds	48,259	-	-	-	-	-	48,259
Total Assets	\$ 365,874	25,723	2,552	33,841	1,012	11,161	440,163
LIABILITIES AND FUND BALANCES							
<i>Liabilities:</i>							
Accounts Payable	\$ 4,683	-	-	-	-	307	4,990
Accrued Expenditures	252,382	-	-	-	-	-	252,382
Due to Other Funds	-	-	2,552	33,841	1,012	10,854	48,259
Total Liabilities	257,065	-	2,552	33,841	1,012	11,161	305,631
<i>Fund Balances</i>							
Fund Balance:							
Restricted for:							
Instruction	-	25,723	-	-	-	-	25,723
Unassigned	108,809	-	-	-	-	-	108,809
Total Fund Balances	108,809	25,723	-	-	-	-	134,532
Total Liabilities and Fund Balances	\$ 365,874	25,723	2,552	33,841	1,012	11,161	440,163

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
June 30, 2014**

Fund Balances - Total Governmental Funds	\$ 134,532
Net Position-Total Governmental Activities	<u>\$ 134,532</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Total
Revenues:							
State Grant	\$ 2,673,798	28,524	-	-	-	-	2,702,322
Federal Grant	-	-	100,355	96,253	1,012	11,161	208,781
Total Revenues	<u>2,673,798</u>	<u>28,524</u>	<u>100,355</u>	<u>96,253</u>	<u>1,012</u>	<u>11,161</u>	<u>2,911,103</u>
Expenditures:							
Current:							
Instruction	1,941,889	2,801	63,148	57,904	1,012	6,459	2,073,213
Support Services:							
Students	200,490	-	37,207	38,349	-	-	276,046
Instruction	15,484	-	-	-	-	-	15,484
General Administration	32,925	-	-	-	-	-	32,925
School Administration	155,200	-	-	-	-	4,702	159,902
Central Services	89,944	-	-	-	-	-	89,944
Operation & Maintenance of Plant	129,057	-	-	-	-	-	129,057
Total Expenditures	<u>2,564,989</u>	<u>2,801</u>	<u>100,355</u>	<u>96,253</u>	<u>1,012</u>	<u>11,161</u>	<u>2,776,571</u>
<i>Excess of Revenues</i>							
<i>Over Expenditures</i>	<u>108,809</u>	<u>25,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,532</u>
Net Changes in Fund Balances	<u>108,809</u>	<u>25,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,532</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 108,809</u>	<u>25,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,532</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net Change in Fund Balances-Total Governmental Funds	\$ 134,532
Change in Net Position-Total Governmental Activities	<u>\$ 134,532</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 21</u>
Total Assets	<u><u>\$ 21</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 21</u>
Total Liabilities	<u><u>\$ 21</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ -	21	-	21
Total Assets	<u>\$ -</u>	<u>21</u>	<u>-</u>	<u>21</u>
LIABILITIES				
Deposits Held for Others	\$ -	21	-	21
Total Liabilities	<u>\$ -</u>	<u>21</u>	<u>-</u>	<u>21</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Notes to the Financial Statements
June 30, 2014**

NOTE 1. COMMITMENTS AND CONTINGENCIES

Leases

Facilities were leased under a short-term cancelable operating lease. Expenses for the year ended June 30, 2014 were \$56,265.

The following is a schedule of operating lease payments as of June 30, 2014:

Year Ending June 30:	
2015	\$ 53,295
2016	55,042
Total Operating Lease Payments	<u>\$ 108,337</u>

NOTE 2. OVERSPENT BUDGET LINE ITEMS

As stated in the finding 2014-006, the New Mexico Connections Academy had expended in excess of the budget.

IDEA-B Entitlement 24106

Instruction \$ 8,935

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,557,282	2,673,798	2,673,798	-
Total Revenues	<u>2,557,282</u>	<u>2,673,798</u>	<u>2,673,798</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	2,130,548	1,992,056	1,941,680	50,376
Support Services:				
Students	-	219,661	196,255	23,406
Instruction	90,710	15,335	15,334	1
General Administration	35,000	37,172	32,925	4,247
School Administration	181,148	181,998	155,200	26,798
Central Services	55,600	95,482	89,944	5,538
Operation & Maintenance of Plant	64,276	132,094	128,967	3,127
Total Expenditures	<u>2,557,282</u>	<u>2,673,798</u>	<u>2,560,305</u>	<u>113,493</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>113,493</u>	<u>113,493</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>113,493</u>	<u>113,493</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>113,493</u>	<u>113,493</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(4,684)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 108,809</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 26,733	26,733	28,524	1,791
Total Revenues	<u>26,733</u>	<u>26,733</u>	<u>28,524</u>	<u>1,791</u>
Expenditures:				
Current:				
Instruction	26,733	26,733	2,801	23,932
Total Expenditures	<u>26,733</u>	<u>26,733</u>	<u>2,801</u>	<u>23,932</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>25,723</u>	<u>25,723</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>25,723</u>	<u>25,723</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>25,723</u>	<u>25,723</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 25,723</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	105,355	97,803	(7,552)
Total Revenues	<u>-</u>	<u>105,355</u>	<u>97,803</u>	<u>(7,552)</u>
Expenditures:				
Current:				
Instruction	-	68,148	63,148	5,000
Support Services:				
Students	-	37,207	37,207	-
Total Expenditures	<u>-</u>	<u>105,355</u>	<u>100,355</u>	<u>5,000</u>
Deficiency of Revenues				
Under Expenditures	-	-	(2,552)	(2,552)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,552)</u>	<u>(2,552)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,552)</u>	<u>(2,552)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,552	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	96,252	62,412	(33,840)
Total Revenues	<u>-</u>	<u>96,252</u>	<u>62,412</u>	<u>(33,840)</u>
Expenditures:				
Current:				
Instruction	-	48,969	57,904	(8,935)
Support Services:				
Students	-	47,283	38,349	8,934
Total Expenditures	<u>-</u>	<u>96,252</u>	<u>96,253</u>	<u>(1)</u>
Deficiency of Revenues				
Under Expenditures	-	-	(33,841)	(33,841)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(33,841)</u>	<u>(33,841)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(33,841)</u>	<u>(33,841)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			33,841	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Risk Pool 24120
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	1,012	-	(1,012)
Total Revenues	<u>-</u>	<u>1,012</u>	<u>-</u>	<u>(1,012)</u>
Expenditures:				
Current:				
Instruction	-	1,012	1,012	-
Total Expenditures	<u>-</u>	<u>1,012</u>	<u>1,012</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(1,012)</u>	<u>(1,012)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,012)</u>	<u>(1,012)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,012)</u>	<u>(1,012)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,012</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	18,477	-	(18,477)
Total Revenues	<u>-</u>	<u>18,477</u>	<u>-</u>	<u>(18,477)</u>
Expenditures:				
Current:				
Instruction	-	12,977	6,459	6,518
Support Services:				
School Administration	-	5,500	4,395	1,105
Total Expenditures	<u>-</u>	<u>18,477</u>	<u>10,854</u>	<u>7,623</u>
Deficiency of Revenues				
Under Expenditures	-	-	(10,854)	(10,854)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,854)</u>	<u>(10,854)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,854)</u>	<u>(10,854)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			11,161	
Adjustments to Expenditures			(307)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	529,827
Less: FDIC Coverage:		<u>(250,000)</u>
Uninsured Public Funds:		279,827
Collateral Requirement:		139,914
Pledged Collateral Held by Pledging Financial Institution:		-
Balance Under Collateralized:		<u>(139,914)</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>279,827</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico Connections Academy
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank, N.A.</u>
Checking - Operational Account	\$ 529,827
Total on Deposit	529,827
Reconciling Items	<u>(186,468)</u>
Reconciled Balance June 30, 2014	<u>343,359</u>
Less: Agency Funds	<u>(21)</u>
Total Cash	<u>\$ 343,338</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico Connections Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Federal Flowthrough Account 24000	Student Activity Fund 23000	Total
Cash, June 30, 2013	\$ -	-	-	-	-
Add:					
2013-14 revenues	<u>2,673,798</u>	<u>28,524</u>	<u>160,215</u>	<u>21</u>	<u>2,862,558</u>
Total Cash Available	2,673,798	28,524	160,215	21	2,862,558
Less:					
2013-14 Expenditures	(2,560,305)	(2,801)	(208,474)	-	(2,771,580)
Receivables/Payables	<u>252,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,381</u>
Cash June 30, 2014	<u>365,874</u>	<u>25,723</u>	<u>(48,259)</u>	<u>21</u>	<u>343,359</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	<u>(48,259)</u>	<u>-</u>	<u>48,259</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>317,615</u>	<u>25,723</u>	<u>-</u>	<u>21</u>	<u>343,359</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities - Agency Funds:					<u>(21)</u>
Balance Sheets - Governmental Funds:					<u>\$ 343,338</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	<u>(208,806)</u>	<u>-</u>	<u>-</u>	<u>(21)</u>	<u>(208,827)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 108,809</u>	<u>25,723</u>	<u>-</u>	<u>-</u>	<u>134,532</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME VIII



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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Cash Reconciliation..... Vol. VIII - 205

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 118,435
Receivables	
Due from Other Governments	2,704
Prepaid Expenses	19,755
Total Current Assets	<u>140,894</u>

Noncurrent Assets:

Capital Assets	
Leasehold Improvements	25,193
Furniture, Fixtures, and Equipment	7,458
Less: Accumulated Depreciation	<u>(6,519)</u>
Total Noncurrent Assets	<u>26,132</u>
Total Assets	<u>167,026</u>

LIABILITIES

Current Liabilities:

Accounts Payable	29,653
Accrued Liabilities	155,579
Compensated Absences	<u>5,603</u>
Total Current Liabilities	<u>190,835</u>
Total Liabilities	<u>190,835</u>

NET POSITION

Investment in Capital Assets	26,132
Restricted	31,940
Unrestricted (Deficit)	<u>(81,881)</u>
Total Net Position	<u>\$ (23,809)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 807,275	-	32,248	-	(775,027)
Support Services:					
Students	78,613	-	-	-	(78,613)
Instruction	2,758	-	-	-	(2,758)
General Administration	14,737	-	-	-	(14,737)
School Administration	251,242	-	-	-	(251,242)
Central Services	59,511	-	-	-	(59,511)
Operation & Maintenance of Plant Facilities Materials, Supplies & Other Services	240,305 96,194	- -	- -	- 96,194	(240,305) -
Total Governmental Activities	<u>\$ 1,550,635</u>	<u>-</u>	<u>32,248</u>	<u>96,194</u>	<u>(1,422,193)</u>
		General Revenues:			
		State Equalization Guarantee			\$ 1,267,911
		Miscellaneous			<u>16,984</u>
		Total General Revenues			<u>1,284,895</u>
		Change in Net Position			(137,298)
		Net Position, Beginning			<u>113,489</u>
		Net Position, Ending			<u>\$ (23,809)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106
ASSETS			
<i>Assets</i>			
Cash and Cash Equivalents	\$ 106,250	12,185	-
Accounts Receivable			
Due from Government	-	-	936
Due from Other Funds	2,704	-	-
Prepays	19,755	-	-
Total Assets	\$ 128,709	12,185	936
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 29,653	-	-
Accrued Expenditures	155,579	-	-
Due to Other Funds	-	-	936
Total Liabilities	185,232	-	936
<i>Fund Balances (Deficit)</i>			
Fund Balance (Deficit):			
Non Spendable:			
Prepaid Expenditures	19,755	-	-
Restricted for:			
Instruction	-	12,185	-
Unassigned (Deficit)	(76,278)	-	-
Total Fund Balance (Deficit)	(56,523)	12,185	-
Total Liabilities and Fund Balances (Deficit)	\$ 128,709	12,185	936

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Charter Planning 24146	Teacher Principal Training 24154	Public Schools Capital Outlay 31200	Total
-	-	-	-	118,435
281	-	1,487	-	2,704
-	-	-	-	2,704
-	-	-	-	19,755
<u>281</u>	<u>-</u>	<u>1,487</u>	<u>-</u>	<u>143,598</u>
-	-	-	-	29,653
-	-	-	-	155,579
<u>281</u>	<u>-</u>	<u>1,487</u>	<u>-</u>	<u>2,704</u>
<u>281</u>	<u>-</u>	<u>1,487</u>	<u>-</u>	<u>187,936</u>
-	-	-	-	19,755
-	-	-	-	12,185
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,278)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,338)</u>
<u>281</u>	<u>-</u>	<u>1,487</u>	<u>-</u>	<u>143,598</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Reconciliation of the Balance Sheets - Governmental Funds
to Statement of Net Position
June 30, 2014

Fund Balances (Deficit) - Total Governmental Funds **\$ (44,338)**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital assets	32,651	
Accumulated depreciation	(6,519)	
	26,132	26,132
Compensated absences	(5,603)	
	(5,603)	(5,603)

Net Position-Total Governmental Activities **\$ (23,809)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106
Revenues:			
State Grant	\$ 1,267,911	9,725	-
Federal Grant	-	-	20,755
Miscellaneous Income	29,248	-	-
Total Revenues	1,297,159	9,725	20,755
Expenditures:			
Current:			
Instruction	789,333	1,789	20,755
Support Services:			
Students	78,613	-	-
Instruction	2,758	-	-
General Administration	14,737	-	-
School Administration	250,652	-	-
Central Services	59,511	-	-
Operation & Maintenance of Plant	250,680	-	-
Capital Outlay	-	-	-
Total Expenditures	1,446,284	1,789	20,755
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(149,125)</i>	<i>7,936</i>	<i>-</i>
Other Financing Sources (Uses):			
Operating Transfers	16,004	-	-
Total Other Financing Sources (Uses):	16,004	-	-
Net Changes in Fund Balances	(133,121)	7,936	-
Fund Balances - Beginning of Year	76,598	4,249	-
Fund Balances (Deficit) - End of Year	\$ (56,523)	12,185	-

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Charter Planning 24146	Teacher Principal Training 24154	Public Schools Capital Outlay 31200	Total
-	-	-	96,194	1,373,830
281	-	1,487	-	22,523
-	-	-	-	29,248
<u>281</u>	<u>-</u>	<u>1,487</u>	<u>96,194</u>	<u>1,425,601</u>
281	-	897	-	813,055
-	-	-	-	78,613
-	-	-	-	2,758
-	-	-	-	14,737
-	-	590	-	251,242
-	-	-	-	59,511
-	-	-	-	250,680
-	-	-	96,194	96,194
<u>281</u>	<u>-</u>	<u>1,487</u>	<u>96,194</u>	<u>1,566,790</u>
-	-	-	-	(141,189)
-	(16,004)	-	-	-
-	(16,004)	-	-	-
-	(16,004)	-	-	(141,189)
-	16,004	-	-	96,851
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,338)</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (141,189)**

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

Change in Compensated Absences (5,603)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Capital Outlays	25,193	
Depreciation Expense	(3,435)	
Loss on Disposal of Capital Asset	(12,264)	
	9,494	9,494

Change in Net Position-Total Governmental Activities **\$ (137,298)**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	Agency Funds
	<hr/>
ASSETS	
Cash in Bank	\$ 30,152
Total Assets	<hr/> \$ 30,152 <hr/>
 LIABILITIES	
Deposits Held for Others	\$ 30,152
Total Liabilities	<hr/> \$ 30,152 <hr/>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 3,936	41,399	15,183	30,152
Total Assets	<u>\$ 3,936</u>	<u>41,399</u>	<u>15,183</u>	<u>30,152</u>
LIABILITIES				
Deposits Held for Others	\$ 3,936	41,399	15,183	30,152
Total Liabilities	<u>\$ 3,936</u>	<u>41,399</u>	<u>15,183</u>	<u>30,152</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchased or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The New Mexico International School (NMIS) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The NMIS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The NMIS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment	3-15 years
Leasehold Improvements	15 years

Capital assets for the NMIS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 26,822	-	19,364	7,458
Leasehold improvements	-	25,193	-	25,193
<i>Total</i>	<u>26,822</u>	<u>25,193</u>	<u>19,364</u>	<u>32,651</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(10,184)	(3,131)	(7,100)	(6,215)
Leasehold improvements	-	(304)	-	(304)
<i>Total</i>	<u>(10,184)</u>	<u>(3,435)</u>	<u>(7,100)</u>	<u>(6,519)</u>
Net Capital Assets	<u>\$ 16,638</u>	<u>21,758</u>	<u>12,264</u>	<u>26,132</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (Continued)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$	3,377
Operations/Plant Maintenance		<u>58</u>
Total	\$	<u>3,435</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The NMIS leases facilities under a short-term cancelable operating lease. Lease expense for the year ended June 30, 2014 was \$220,406. The school's minimum future payments on this lease are as follows:

Year Ending June 30:		
2015	\$	247,836
2016		<u>258,612</u>
Total	\$	<u>506,448</u>

NOTE 4. DEFICIENT FUND BALANCE

The following fund had a deficient fund balance at June 30, 2014:

Operational 11000	\$	(56,523)
-------------------	----	----------

The NMIS is addressing the negative fund balance and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. OVERSPENT BUDGET LINE ITEMS

As stated in the finding 2014-002, NMIS had expended in excess of the budget in the following fund:

Operational 11000		
Support Services:		
Students	\$	(15,812)
Instruction	\$	(1,502)
General Administration	\$	(2,216)
Operation and Maintenance of Plant	\$	(92,047)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Notes to the Financial Statements
June 30, 2014**

NOTE 5. OVERSPENT BUDGET LINE ITEMS (Continued)

An aggregate positive variance of \$25,474 caused a net budget overage of \$86,103.

NOTE 6. RELATED PARTY TRANSACTIONS

Business manager services during fiscal year 2014 were performed by The Vigil Group, which performed services for multiple state charter schools.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,334,748	1,267,911	1,267,911	-
Miscellaneous Income	-	29,148	29,248	100
Total Revenues	<u>1,334,748</u>	<u>1,297,059</u>	<u>1,297,159</u>	<u>100</u>
Expenditures:				
Current:				
Instruction	825,783	797,956	792,558	5,398
Support Services:				
Students	59,500	62,955	78,767	(15,812)
Instruction	7,295	1,256	2,758	(1,502)
General Administration	20,100	18,450	20,666	(2,216)
School Administration	232,216	260,974	250,068	10,906
Central Services	57,012	66,115	56,945	9,170
Operation & Maintenance of Plant	263,685	151,246	243,293	(92,047)
Total Expenditures	<u>1,465,591</u>	<u>1,358,952</u>	<u>1,445,055</u>	<u>(86,103)</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(130,843)</u>	<u>(61,893)</u>	<u>(147,896)</u>	<u>(86,003)</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	16,004	16,004
Designated Cash	130,843	61,893	-	(61,893)
Total Other Financing Sources (Uses):	<u>130,843</u>	<u>61,893</u>	<u>16,004</u>	<u>(45,889)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(131,892)</u>	<u>(131,892)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>61,894</u>	<u>61,894</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(69,998)</u>	<u>(69,998)</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(1,229)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (133,121)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 7,111	7,111	13,733	6,622
Total Revenues	<u>7,111</u>	<u>7,111</u>	<u>13,733</u>	<u>6,622</u>
Expenditures:				
Current:				
Instruction	7,352	7,352	1,789	5,563
Total Expenditures	<u>7,352</u>	<u>7,352</u>	<u>1,789</u>	<u>5,563</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(241)</u>	<u>(241)</u>	<u>11,944</u>	<u>12,185</u>
Other Financing Sources (Uses):				
Designated Cash	241	241	-	(241)
Total Other Financing Sources (Uses):	<u>241</u>	<u>241</u>	<u>-</u>	<u>(241)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>11,944</u>	<u>11,944</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>241</u>	<u>241</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>12,185</u>	<u>12,185</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,008)	
NET CHANGE IN FUND BALANCE			<u>\$ 7,936</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	20,755	19,819	(936)
Total Revenues	<u>-</u>	<u>20,755</u>	<u>19,819</u>	<u>(936)</u>
Expenditures:				
Current:				
Instruction	-	20,755	20,755	-
Total Expenditures	<u>-</u>	<u>20,755</u>	<u>20,755</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(936)</u>	<u>(936)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(936)</u>	<u>(936)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(936)</u>	<u>(936)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>936</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	281	-	(281)
Total Revenues	<u>-</u>	<u>281</u>	<u>-</u>	<u>(281)</u>
Expenditures:				
Current:				
Instruction	-	281	281	-
Total Expenditures	<u>-</u>	<u>281</u>	<u>281</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(281)</u>	<u>(281)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(281)</u>	<u>(281)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(281)</u>	<u>(281)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>281</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Planning 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
<i>Financing Sources (Uses):</i>				
Operating Transfers	\$ -	-	(16,004)	(16,004)
<i>Total Other Financing Sources (Uses):</i>	<u>-</u>	<u>-</u>	<u>(16,004)</u>	<u>(16,004)</u>
<i>Net Changes in Fund Balances</i>	<u>-</u>	<u>-</u>	<u>(16,004)</u>	<u>(16,004)</u>
<i>Cash or Fund Balances - Beginning of Year</i>	<u>-</u>	<u>-</u>	<u>16,004</u>	<u>16,004</u>
<i>Cash or Fund Balances - End of Year</i>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (16,004)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 3,290	1,487	6,457	4,970
Total Revenues	<u>3,290</u>	<u>1,487</u>	<u>6,457</u>	<u>4,970</u>
Expenditures:				
Current:				
Instruction	2,290	897	897	-
Support Services:				
School Administration	1,000	590	590	-
Total Expenditures	<u>3,290</u>	<u>1,487</u>	<u>1,487</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>4,970</u>	<u>4,970</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>4,970</u>	 <u>4,970</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(6,457)</u>	<u>(6,457)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,487)</u>	<u>(1,487)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(4,970)</u>	
 NET CHANGE IN FUND BALANCE			 <u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Outlay 31200
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	96,194	96,194	-
Total Revenues	<u>-</u>	<u>96,194</u>	<u>96,194</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	96,194	96,194	-
Total Expenditures	<u>-</u>	<u>96,194</u>	<u>96,194</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico International School
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				<u>\$ -</u>

Total Cash per Schedule of Cash Accounts:	\$	152,851
Less: FDIC coverage:		<u>(152,851)</u>
Uninsured public funds:		-
Collateral requirement:		-
Pledged collateral held by pledging financial institution:		<u>-</u>
Balance (over) under collateralized:		<u>-</u>
Balance uninsured and uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Schedule of Cash Accounts
June 30, 2014

Bank Account Type	Wells Fargo	PayPal	Total
Checking - Operational Account	\$ 150,318	-	150,318
Student Activity Account	-	2,533	2,533
Total on Deposit	150,318	2,533	152,851
Reconciling Items	(4,264)	-	(4,264)
Reconciled Balance June 30, 2014	\$ 146,054	2,533	148,587
Less Agency Funds			(30,152)
Total Cash			\$ 118,435

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico International School
Cash Reconciliation
June 30, 2014

	Operational 11000	Materials 14000	Activity Account 23000	Federal Projects Account 24000	Public School Capital Outlay 31200	Total
Cash, June 30, 2013	\$ 184,471	241	3,936	10,060	-	198,708
Add:						
2013-14 Revenues	1,297,159	13,733	41,185	26,276	96,194	1,474,547
Total Cash Available	1,481,630	13,974	45,121	36,336	96,194	1,673,255
Less:						
2013-14 Expenditures	(1,445,055)	(1,789)	(15,183)	(22,053)	(96,194)	(1,580,274)
Receivables/Payables	155,579	-	214	-	-	155,793
Adjustments	(100,187)	-	-	-	-	(100,187)
Cash June 30, 2014	<u>91,967</u>	<u>12,185</u>	<u>30,152</u>	<u>14,283</u>	<u>-</u>	<u>148,587</u>
Fund Balance Reconciliations to GAAP Basis:						
Audit Reclassifications to Cash	14,283	-	-	(14,283)	-	-
Cash per Books	<u>106,250</u>	<u>12,185</u>	<u>30,152</u>	<u>-</u>	<u>-</u>	<u>148,587</u>
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:						30,152
Balance Sheets - Governmental Funds						<u>\$ 118,435</u>
Fund Balance Reconciliation to GAAP Basis:						
Modified Accrual Adjustments	(162,773)	-	(30,152)	-	-	(192,925)
Fund Balance , Modified Accrual Basis	<u>\$ (56,523)</u>	<u>12,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(44,338)</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Net Position
June 30, 2014

ASSETS

Current assets:

Cash	\$ 593,674
Receivables	
Due from Other Governments	71,604
Due from Others	4,864
Deposits	12,704
Prepaid expenses	15,955
Total Current Assets	<u>698,801</u>

Noncurrent assets:

Capital Assets	
Furniture, Fixtures, and Equipment	138,343
Less: Accumulated Depreciation	<u>(59,523)</u>
Total Noncurrent Assets	<u>78,820</u>
Total Assets	<u>777,621</u>

LIABILITIES

Current Liabilities:

Accounts Payable	3,518
Accrued Liabilities	<u>129,049</u>
Total Current Liabilities	<u>132,567</u>
Total Liabilities	<u>132,567</u>

NET POSITION

Investment in Capital Assets	78,820
Restricted	268,115
Unrestricted	<u>298,119</u>
Total Net Position	<u>\$ 645,054</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,020,994	7,998	181,359	-	(831,637)
Support Services:					
Students	90,522	-	-	-	(90,522)
Instruction	92,471	-	-	-	(92,471)
General Administration	40,658	-	-	-	(40,658)
School Administration	303,751	-	-	-	(303,751)
Central Services	144,728	-	-	-	(144,728)
Operation & Maintenance of Plant	264,712	-	-	-	(264,712)
Food Services	57,485	20,735	14,967	-	(21,783)
Facilities Materials, Supplies & Other Services	198,072	-	-	399,797	201,725
Total Governmental Activities	\$ 2,213,393	28,733	196,326	399,797	(1,588,537)
General Revenues:					
State Equalization Guarantee					\$ 1,786,232
Miscellaneous					1,245
Total General Revenues					<u>1,787,477</u>
Change in Net Position					198,940
Net Position, Beginning					<u>446,114</u>
Net Position, Ending					<u>\$ 645,054</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
ASSETS						
Cash and Cash Equivalents	\$ 351,664	251	100	-	-	-
Accounts receivable						
Due from Government	-	2,221	1,953	9,678	15,263	917
Due from Other Funds	58,984	-	-	-	-	-
Other	4,864	-	-	-	-	-
Deposits	12,704	-	-	-	-	-
Prepays	15,955	-	-	-	-	-
Total Assets	\$ 444,171	2,472	2,053	9,678	15,263	917
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 3,518	-	-	-	-	-
Accrued Expenses	113,875	-	9	3,763	3,794	-
Due to Other Funds	-	-	2,044	5,915	11,469	917
Total Liabilities	117,393	-	2,053	9,678	15,263	917
Fund Balances						
Fund Balance:						
Non Spendable:						
Deposits	12,704	-	-	-	-	-
Prepaid Expenditures	15,955	-	-	-	-	-
Restricted for:						
Instruction	-	2,472	-	-	-	-
Capital Improvements	-	-	-	-	-	-
Assigned to:						
Subsequent Years Expenditure and Other Programs	298,119	-	-	-	-	-
Total Fund Balance	326,778	2,472	-	-	-	-
Total Liabilities and Fund Balances	\$ 444,171	2,472	2,053	9,678	15,263	917

The accompanying notes are an integral part of these financial statements

Dual Credit 27103	Advanced Placement 27122	2010 GOB Instructional Materials 27171	Private Dir Grants (Categorical) 29102	Public Schools Capital Outlay 31200	SB 9 Capital Improvements 31700	Total
-	-	-	81,663	-	159,996	593,674
65	5,000	-	-	34,408	2,099	71,604
-	-	-	-	-	-	58,984
-	-	-	-	-	-	4,864
-	-	-	-	-	-	12,704
-	-	-	-	-	-	15,955
<u>65</u>	<u>5,000</u>	<u>-</u>	<u>81,663</u>	<u>34,408</u>	<u>162,095</u>	<u>757,785</u>
-	-	-	-	-	-	3,518
-	834	-	6,774	-	-	129,049
65	4,166	-	-	34,408	-	58,984
<u>65</u>	<u>5,000</u>	<u>-</u>	<u>6,774</u>	<u>34,408</u>	<u>-</u>	<u>191,551</u>
-	-	-	-	-	-	12,704
-	-	-	-	-	-	15,955
-	-	-	74,889	-	-	77,361
-	-	-	-	-	162,095	162,095
-	-	-	-	-	-	298,119
-	-	-	74,889	-	162,095	566,234
<u>65</u>	<u>5,000</u>	<u>-</u>	<u>81,663</u>	<u>34,408</u>	<u>162,095</u>	<u>757,785</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico School for the Arts
 Reconciliation of the Balance Sheets of Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 566,234**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	138,343	
Accumulated Depreciation	(59,523)	
	78,820	78,820

Net Position-Total Governmental Activities **\$ 645,054**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Revenues, Expenditures, And Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154
Revenues:						
Property Taxes	\$ -	-	-	-	-	-
Local & County Grant	-	-	-	-	-	-
State Grant	1,786,232	12,684	-	-	-	-
Federal Grant	12,361	-	14,967	21,357	27,950	2,237
Miscellaneous	1,245	-	-	-	-	-
Fees	7,998	-	20,735	-	-	-
Total Revenues	<u>1,807,836</u>	<u>12,684</u>	<u>35,702</u>	<u>21,357</u>	<u>27,950</u>	<u>2,237</u>
Expenditures:						
Current:						
Instruction	920,708	12,830	-	21,357	23,786	2,137
Support Services:						
Students	86,358	-	-	-	4,164	-
Instruction	88,727	-	-	-	-	-
General Administration	39,026	-	-	-	-	-
School Administration	303,373	-	-	-	-	100
Central Services	144,728	-	-	-	-	-
Operation & Maintenance of Plant	259,364	-	-	-	-	-
Food Services Operations	16,323	-	41,162	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>1,858,607</u>	<u>12,830</u>	<u>41,162</u>	<u>21,357</u>	<u>27,950</u>	<u>2,237</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(50,771)</u>	<u>(146)</u>	<u>(5,460)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(50,771)</u>	<u>(146)</u>	<u>(5,460)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>377,549</u>	<u>2,618</u>	<u>5,460</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 326,778</u>	<u>2,472</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Dual Credit 27103	Advanced Placement 27122	2010 GOB Instructional Materials 27171	Private Dir Grants (Categorical) 29102	Public Schools Capital Outlay 31200	SB 9 Capital Improvements 31700	Total
-	-	-	-	-	257,672	257,672
-	-	-	95,400	-	-	95,400
789	5,000	3,581	-	137,631	4,494	1,950,411
-	-	-	-	-	-	78,872
-	-	-	-	-	-	1,245
-	-	-	-	-	-	28,733
<u>789</u>	<u>5,000</u>	<u>3,581</u>	<u>95,400</u>	<u>137,631</u>	<u>262,166</u>	<u>2,412,333</u>
789	5,000	3,581	21,207	-	-	1,011,395
-	-	-	-	-	-	90,522
-	-	-	3,744	-	-	92,471
-	-	-	-	-	1,632	40,658
-	-	-	278	-	-	303,751
-	-	-	-	-	-	144,728
-	-	-	-	-	-	259,364
-	-	-	-	-	-	57,485
-	-	-	-	137,631	98,439	236,070
<u>789</u>	<u>5,000</u>	<u>3,581</u>	<u>25,229</u>	<u>137,631</u>	<u>100,071</u>	<u>2,236,444</u>
-	-	-	70,171	-	162,095	175,889
-	-	-	70,171	-	162,095	175,889
-	-	-	4,718	-	-	390,345
-	-	-	74,889	-	162,095	566,234

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net change in fund balances-total governmental funds **\$ 175,889**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays	40,109	
Depreciation Expense	(17,058)	
	23,051	23,051

Change in Net Position-Total Governmental Activities **\$ 198,940**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Statement of Fiduciary Assets and Liabilities- Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 10,029</u>
Total Assets	<u><u>\$ 10,029</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 10,029</u>
Total Liabilities	<u><u>\$ 10,029</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico School for the Arts
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in bank	\$ 5,662	15,566	11,199	10,029
Total Assets	<u>\$ 5,662</u>	<u>15,566</u>	<u>11,199</u>	<u>10,029</u>
LIABILITIES				
Deposits Held for Others	\$ 5,662	15,566	11,199	10,029
Total Liabilities	<u>\$ 5,662</u>	<u>15,566</u>	<u>11,199</u>	<u>10,029</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received, applicable. 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. The New Mexico School for the Art's (NMSFA) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The NMSFA does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The NMSFA utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-7 years
-----------------------------------	-----------

Capital Assets for NMSFA are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 98,234	40,109	-	138,343
Less: Accumulated Depreciation	(42,465)	(17,058)	-	(59,523)
Capital Assets, Net	<u>\$ 55,769</u>	<u>23,051</u>	<u>-</u>	<u>78,820</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 9,599
Operations/Plant Maintenance	5,348
Capital outlay	<u>2,111</u>
Total	<u>\$ 17,058</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The NMSFA leased various facilities and equipment under short-term cancelable operating leases. Rental expense for the year ending June 30, 2014 was \$169,772. The NMSFA's minimum future payments on this lease are as follows:

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2014.

Year Ending June 30:	
2015	\$ 174,489
2016	176,360
2017	<u>14,833</u>
Total minimum lease payments	<u>\$ 365,682</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 1,710,674	1,786,231	1,786,232	1
Federal Grant	4,000	4,000	12,361	8,361
Miscellaneous	-	-	1,245	1,245
Fees	200	200	7,998	7,798
Total Revenues	1,714,874	1,790,431	1,807,836	17,405
Expenditures:				
Current:				
Instruction	932,020	976,330	920,708	55,622
Support Services:				
Students	81,570	112,992	86,358	26,634
Instruction	84,276	110,946	88,727	22,219
General Administration	25,620	56,920	39,026	17,894
School Administration	311,348	317,598	303,373	14,225
Central Services	141,341	161,506	144,728	16,778
Operation & Maintenance of Plant	389,854	370,661	259,364	111,297
Food Services Operations	20,000	40,375	16,323	24,052
Total Expenditures	1,986,029	2,147,328	1,858,607	288,721
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	(271,155)	(356,897)	(50,771)	306,126
Other Financing Sources (Uses):				
Designated Cash	271,155	356,897	-	(356,897)
Total Other Financing Sources (Uses):	271,155	356,897	-	(356,897)
Net Changes in Fund Balances	-	-	(50,771)	(50,771)
Cash or Fund Balances - Beginning of Year	-	-	377,549	377,549
Cash or Fund Balances - End of Year	\$ -	-	326,778	326,778
Reconciliation to GAAP Basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (50,771)	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 10,212	10,212	13,081	2,869
Total Revenues	<u>10,212</u>	<u>10,212</u>	<u>13,081</u>	<u>2,869</u>
Expenditures:				
Current:				
Instruction	10,212	12,830	12,830	-
Total expenditures	<u>10,212</u>	<u>12,830</u>	<u>12,830</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,618)</u>	<u>251</u>	<u>2,869</u>
Other Financing Sources (Uses):				
Designated Cash	-	2,618	-	(2,618)
Total Other Financing Sources (Uses):	<u>-</u>	<u>2,618</u>	<u>-</u>	<u>(2,618)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>251</u>	<u>251</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>251</u>	<u>251</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			(397)	
NET CHANGE IN FUND BALANCE			<u>\$ (146)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 19,000	19,000	14,966	(4,034)
Fees	26,800	26,800	20,736	(6,064)
Total Revenues	<u>45,800</u>	<u>45,800</u>	<u>35,702</u>	<u>(10,098)</u>
Expenditures:				
Current:				
Food Services Operations	46,347	49,699	41,162	8,537
Total Expenditures	<u>46,347</u>	<u>49,699</u>	<u>41,162</u>	<u>8,537</u>
Deficiency of Revenues Under Expenditures	(547)	(3,899)	(5,460)	(1,561)
Other Financing Sources (Uses):				
Designated Cash	547	3,899	-	(3,899)
Total Other Financing Sources (Uses):	<u>547</u>	<u>3,899</u>	<u>-</u>	<u>(3,899)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,460)</u>	<u>(5,460)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,460</u>	<u>5,460</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (5,460)</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 19,569	36,595	15,586	(21,009)
Total Revenues	<u>19,569</u>	<u>36,595</u>	<u>15,586</u>	<u>(21,009)</u>
Expenditures:				
Current:				
Instruction	19,569	36,595	18,695	17,900
Total Expenditures	<u>19,569</u>	<u>36,595</u>	<u>18,695</u>	<u>17,900</u>
Deficiency of Revenues Under Expenditures	-	-	(3,109)	(3,109)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,109)</u>	<u>(3,109)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(2,806)</u>	<u>(2,806)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,915)</u>	<u>(5,915)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,771	
Adjustments to Expenditures			<u>(2,662)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 28,103	57,167	19,277	(37,890)
Total Revenues	<u>28,103</u>	<u>57,167</u>	<u>19,277</u>	<u>(37,890)</u>
Expenditures:				
Current:				
Instruction	23,603	40,218	21,092	19,126
Support Services:				
Students	4,500	16,949	4,164	12,785
Total Expenditures	<u>28,103</u>	<u>57,167</u>	<u>25,256</u>	<u>31,911</u>
Deficiency of Revenues Under Expenditures	-	-	(5,979)	(5,979)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,979)</u>	<u>(5,979)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(5,490)</u>	<u>(5,490)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,469)</u>	<u>(11,469)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			8,673	
Adjustments to Expenditures			<u>(2,694)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 5,211	8,297	4,151	(4,146)
Total Revenues	<u>5,211</u>	<u>8,297</u>	<u>4,151</u>	<u>(4,146)</u>
Expenditures:				
Current:				
Instruction	4,500	6,500	2,137	4,363
Support Services:				
School Administration	711	1,797	100	1,697
Total Expenditures	<u>5,211</u>	<u>8,297</u>	<u>2,237</u>	<u>6,060</u>
Excess of Revenues Over Expenditures	-	-	1,914	1,914
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,914</u>	<u>1,914</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(2,831)</u>	<u>(2,831)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(917)</u>	<u>(917)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,914)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	789	724	(65)
Total Revenues	<u>-</u>	<u>789</u>	<u>724</u>	<u>(65)</u>
Expenditures:				
Current:				
Instruction	-	789	789	-
Total Expenditures	<u>-</u>	<u>789</u>	<u>789</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(65)	(65)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(65)</u>	<u>(65)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(65)</u>	<u>(65)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			65	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Advanced Placement 27122
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	5,000	-	(5,000)
Total Revenues	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Expenditures:				
Current:				
Instruction	5,000	5,000	4,166	834
Total Expenditures	<u>5,000</u>	<u>5,000</u>	<u>4,166</u>	<u>834</u>
Deficiency of Revenues Under Expenditures	<u>(5,000)</u>	<u>-</u>	<u>(4,166)</u>	<u>(4,166)</u>
Other Financing Sources (Uses):				
Designated Cash	5,000	-	-	-
Total Other Financing Sources (Uses):	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,166)</u>	<u>(4,166)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,166)</u>	<u>(4,166)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,000	
Adjustments to Expenditures			<u>(834)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GOB Instructional Materials 27171
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 16,008	3,581	16,008	12,427
Total Revenues	<u>16,008</u>	<u>3,581</u>	<u>16,008</u>	<u>12,427</u>
Expenditures:				
Current:				
Instruction	16,008	3,581	3,581	-
Total expenditures	<u>16,008</u>	<u>3,581</u>	<u>3,581</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	12,427	12,427
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>12,427</u>	<u>12,427</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(12,427)</u>	<u>(12,427)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(12,427)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	95,400	95,400	-
Total Revenues	<u>-</u>	<u>95,400</u>	<u>95,400</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	4,599	24,999	14,433	10,566
Instruction	-	75,000	3,744	71,256
School Administration	307	307	278	29
Total Expenditures	<u>4,906</u>	<u>100,306</u>	<u>18,455</u>	<u>81,851</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(4,906)</u>	<u>(4,906)</u>	<u>76,945</u>	<u>81,851</u>
Other Financing Sources (Uses):				
Designated Cash	4,906	4,906	-	(4,906)
Total Other Financing sources (Uses):	<u>4,906</u>	<u>4,906</u>	<u>-</u>	<u>(4,906)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>76,945</u>	<u>76,945</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,718</u>	<u>4,718</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>81,663</u>	<u>81,663</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(6,774)	
NET CHANGE IN FUND BALANCE			<u>\$ 70,171</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	137,631	135,674	(1,957)
Total Revenues	<u>-</u>	<u>137,631</u>	<u>135,674</u>	<u>(1,957)</u>
Expenditures:				
Capital Outlay	-	137,631	137,631	-
Total Expenditures	<u>-</u>	<u>137,631</u>	<u>137,631</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(1,957)	(1,957)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,957)</u>	<u>(1,957)</u>
Cash or Fund Balances -Beginning of Year	<u>-</u>	<u>-</u>	<u>(32,451)</u>	<u>(32,451)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(34,408)</u>	<u>(34,408)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,957	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
SB 9 Capital Improvements 31700
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ 166,820	166,820	255,573	88,753
State Grant	-	4,494	4,494	-
Total Revenues	<u>166,820</u>	<u>171,314</u>	<u>260,067</u>	<u>88,753</u>
Expenditures:				
Current:				
Support Services:				
General Administration	-	2,500	1,632	868
Capital Outlay	252,653	254,647	98,439	156,208
Total Expenditures	<u>252,653</u>	<u>257,147</u>	<u>100,071</u>	<u>157,076</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(85,833)</u>	<u>(85,833)</u>	<u>159,996</u>	<u>245,829</u>
Other Financing Sources (Uses):				
Designated Cash	85,833	85,833	-	(85,833)
Total Other Financing Sources (Uses):	<u>85,833</u>	<u>85,833</u>	<u>-</u>	<u>(85,833)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>159,996</u>	<u>159,996</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>159,996</u>	<u>159,996</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,099	
NET CHANGE IN FUND BALANCE			<u>\$ 162,095</u>	

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
Wells Fargo	FN AS0025 3.500%	3138W9A34	7/1/2043	\$ 228,202
				<u>\$ 228,202</u>

Total Cash per Schedule of Cash Accounts:	\$ 639,198
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	389,198
Collateral Requirement:	194,599
Pledged Collateral Held by Pledging Financial Institution:	<u>228,202</u>
Balance Over Collateralized:	<u>\$ 33,603</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ 160,996</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 New Mexico School for the Arts
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	\$ 639,198
<i>Total on Deposit</i>	639,198
Reconciling Items	<u>(35,495)</u>
Reconciled Balance June 30, 2014	<u>603,703</u>
Less: Agency Funds	<u>\$ 10,029</u>
<i>Total Cash</i>	<u><u>\$ 593,674</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
New Mexico School for the Arts
Cash Reconciliation
June 30, 2014

	Operational 11100	Instructional Materials 14000	Food Services 21000	Activity Account 23000
Cash, June 30, 2013	\$ 378,927	-	2,513	5,662
Add:				
2013-14 revenues	<u>1,807,836</u>	<u>10,976</u>	<u>35,702</u>	<u>15,566</u>
Total Cash Available	2,186,763	10,976	38,215	21,228
Less:				
2013-14 expenditures	(1,858,607)	(11,122)	(41,162)	(13,343)
Receivables/Payables	113,875	397	994	-
Outstanding Loans	<u>(58,983)</u>	<u>-</u>	<u>2,053</u>	<u>-</u>
Cash June 30, 2014	<u><u>383,048</u></u>	<u><u>251</u></u>	<u><u>100</u></u>	<u><u>7,885</u></u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	<u>(31,384)</u>	<u>-</u>	<u>-</u>	<u>2,144</u>
Cash Per Books	<u><u>351,664</u></u>	<u><u>251</u></u>	<u><u>100</u></u>	<u><u>10,029</u></u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(24,886)</u>	<u>2,221</u>	<u>(100)</u>	<u>(10,029)</u>
Fund Balance , Modified Accrual Basis	<u><u>\$ 326,778</u></u>	<u><u>2,472</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Federal Projects Accounts 24000	State Flow Through Account 27000	Local / State 29000	Public School Capital Outlay 31200	SB 9 Capital Improvements 31700	Total
-	-	4,718	-	91,888	483,708
51,544	9,370	95,400	137,631	167,655	2,331,680
51,544	9,370	100,118	137,631	259,543	2,815,388
(51,544)	(9,370)	(25,229)	(137,631)	(100,071)	(2,248,079)
7,557	834	6,774	34,407	-	164,838
18,301	4,231	-	(34,407)	-	(68,805)
<u>25,858</u>	<u>5,065</u>	<u>81,663</u>	<u>-</u>	<u>159,472</u>	<u>663,342</u>
(25,858)	(5,065)	-	-	524	(59,639)
<u>-</u>	<u>-</u>	<u>81,663</u>	<u>-</u>	<u>159,996</u>	<u>603,703</u>
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Funds:					10,029
Balance Sheets - Governmental Funds:					\$ 593,674
-	-	(6,774)	-	2,099	(37,469)
<u>-</u>	<u>-</u>	<u>74,889</u>	<u>-</u>	<u>162,095</u>	<u>566,234</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$	603,233
Receivables		
Due from Other Governments		349,492
Total Current Assets		<u>952,725</u>

Noncurrent Assets:

Capital Assets		
Land		
Building and Improvements		91,474
Furniture, Fixtures, and Equipment		9,911
Less: Accumulated Depreciation		(93,918)
Total Noncurrent Assets		<u>7,467</u>
Total Assets		<u>960,192</u>

LIABILITIES

Current Liabilities:

Accounts Payable		10,870
Accrued Liabilities		245,784
Compensated Absences		2,787
Total Current Liabilities		<u>259,441</u>
Total Liabilities		<u>259,441</u>

NET POSITION

Investment in Capital Assets		7,467
Restricted		135,820
Unrestricted		557,464
Total Net Position	\$	<u>700,751</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 North Valley Academy
 Statement of Activities
 For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net
		Charges	Operating	Capital	
Governmental activities:					
Instruction	\$ 1,886,208	1,197	467,388	-	(1,417,623)
Support Services:					
Students	197,905	-	-	-	(197,905)
Instruction	31,456	-	-	-	(31,456)
General Administration	62,409	-	-	-	(62,409)
School Administration	290,564	-	-	-	(290,564)
Central Services	142,336	-	-	-	(142,336)
Operation & Maintenance of Plant	369,943	-	-	-	(369,943)
Other support services	42,086	-	-	-	(42,086)
Food Services	162,457	41,613	144,701	-	23,857
Facilities Materials, Supplies & Other Services	377,425	-	-	377,425	-
Total Governmental Services	<u>\$ 3,562,789</u>	<u>42,810</u>	<u>612,089</u>	<u>377,425</u>	<u>(2,530,465)</u>
			General Revenues:		
			State Equalization Guarantee	\$ 2,765,397	
			Miscellaneous	<u>66,250</u>	
			Total General Revenues	<u>2,831,647</u>	
			Change in Net Position		301,182
			Net Position, Beginning		<u>399,569</u>
			Net Position, Ending		<u>\$ 700,751</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Balance Sheets - Governmental Funds
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Food Services 21000</u>	<u>Title I IASA 24101</u>
ASSETS				
Cash and Cash Equivalents	\$ 465,684	44,232	80,514	-
Accounts Receivable				
Due from Government	-	-	-	38,198
Due from Other Funds	310,524	-	-	-
Total Assets	<u>\$ 776,208</u>	<u>44,232</u>	<u>80,514</u>	<u>38,198</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 9,141	885	-	-
Accrued Expenditures	206,816	-	-	16,961
Due to Other Funds	-	-	-	21,237
Total Liabilities	<u>215,957</u>	<u>885</u>	<u>-</u>	<u>38,198</u>
<i>Fund Balances</i>				
Fund Balance:				
Restricted for:				
Instruction	-	43,347	-	-
Food Service Operations	-	-	80,514	-
Unassigned	560,251	-	-	-
Total Fund Balance	<u>560,251</u>	<u>43,347</u>	<u>80,514</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 776,208</u>	<u>44,232</u>	<u>80,514</u>	<u>38,198</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	2010 SB-1 Student Library 27106	New Mexico Reads 27114	Incentives for School Improvements 27138
-	-	-	-	-	10,199
80,246	-	5,966	1,343	30,484	-
-	-	-	-	-	-
<u>80,246</u>	<u>-</u>	<u>5,966</u>	<u>1,343</u>	<u>30,484</u>	<u>10,199</u>
-	-	-	-	-	-
-	-	810	-	5,840	-
80,246	-	5,156	1,343	24,644	-
<u>80,246</u>	<u>-</u>	<u>5,966</u>	<u>1,343</u>	<u>30,484</u>	<u>-</u>
-	-	-	-	-	10,199
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,199
<u>80,246</u>	<u>-</u>	<u>5,966</u>	<u>1,343</u>	<u>30,484</u>	<u>10,199</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Pre-K Initiative 27149	2010 GOB Instructional Materials 27171	New Mexico Grown FVV 27183	Next Generation Assessments 27185
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	-
Accounts Receivable				
Due from Government	36,122	29,560	591	12,054
Due from Other Funds	-	-	-	-
Total Assets	\$ 36,122	29,560	591	12,054
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	15,357	-	-	-
Due to Other Funds	20,765	29,560	591	12,054
Total Liabilities	36,122	29,560	591	12,054
Fund Balances				
Fund Balance:				
Restricted for:				
Instruction	-	-	-	-
Food Services Operations	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	-	-	-	-
Total Liabilities and Fund Balance	\$ 36,122	29,560	591	12,054

The accompanying notes are an integral part of these financial statements

Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
2,604	-	-	603,233
-	87,499	27,429	349,492
-	-	-	310,524
<u>2,604</u>	<u>87,499</u>	<u>27,429</u>	<u>1,263,249</u>
844	-	-	10,870
-	-	-	245,784
-	87,499	27,429	310,524
<u>844</u>	<u>87,499</u>	<u>27,429</u>	<u>567,178</u>
1,760	-	-	55,306
-	-	-	80,514
-	-	-	560,251
<u>1,760</u>	<u>-</u>	<u>-</u>	<u>696,071</u>
<u>2,604</u>	<u>87,499</u>	<u>27,429</u>	<u>1,263,249</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Reconciliation of the Balance Sheets - Governmental Funds
to Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 696,071**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

	Capital Assets	101,385	
	Accumulated Depreciation	<u>(93,918)</u>	
			7,467

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

	Compensated Absences	<u>(2,787)</u>	
			<u>(2,787)</u>

Net Position-Total Governmental Activities **\$ 700,751**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
Revenues:				
Local & County Grant	\$ 66,250	-	-	-
State Grant	2,765,397	28,049	-	-
Federal Grant	-	-	144,701	119,395
Charges for Services	1,197	-	41,613	-
Total Revenues	2,832,844	28,049	186,314	119,395
Expenditures:				
Current:				
Instruction	1,542,086	37,322	-	118,446
Support Services:				
Students	97,813	-	-	949
Instruction	11,917	-	-	-
General Administration	62,342	-	-	-
School Administration	282,663	-	-	-
Central Services	142,336	-	-	-
Operation & Maintenance of Plant	364,313	-	-	-
Other Support Services Operations	42,086	-	-	-
Food Services Operations	-	-	161,866	-
Capital Outlay	-	-	-	-
Total Expenditures	2,545,556	37,322	161,866	119,395
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>287,288</u>	<u>(9,273)</u>	<u>24,448</u>	<u>-</u>
Net Changes in Fund Balances	<u>287,288</u>	<u>(9,273)</u>	<u>24,448</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>272,963</u>	<u>52,620</u>	<u>56,066</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 560,251</u>	<u>43,347</u>	<u>80,514</u>	<u>-</u>

These accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Teacher Principal Training 24154	2010 SB-1 Student Library 27106	New Mexico Reads 27114	Incentives for School Improvements 27138
-	-	-	-	-	-
-	-	-	1,343	47,276	-
94,830	960	11,331	-	-	-
-	-	-	-	-	-
<u>94,830</u>	<u>960</u>	<u>11,331</u>	<u>1,343</u>	<u>47,276</u>	<u>-</u>
1,301	-	3,117	-	47,276	-
93,529	960	-	-	-	-
-	-	6,142	1,343	-	-
-	-	-	-	-	-
-	-	2,072	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>94,830</u>	<u>960</u>	<u>11,331</u>	<u>1,343</u>	<u>47,276</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	10,199
-	-	-	-	-	10,199

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Pre-K Initiative 27149	2010 GOB Instructional Materials 27171	New Mexico Grown FVV 27183	Next Generation Assessments 27185
Revenues:				
Local & County Grant	\$ -	-	-	-
State grant	119,999	29,560	591	12,054
Federal grant	-	-	-	-
Charges for services	-	-	-	-
Total Revenues	119,999	29,560	591	12,054
Expenditures:				
Current:				
Instruction	106,256	29,560	-	-
Support Services:				
Students	4,654	-	-	-
Instruction	-	-	-	12,054
General Administration	-	-	-	-
School Administration	5,829	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	3,260	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	591	-
Capital Outlay	-	-	-	-
Total Expenditures	119,999	29,560	591	12,054
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	-	-	-

These accompanying notes are an integral part of these financial statements

Private Dir Grants (Categorical) 29102	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
2,000	-	-	68,250
-	349,996	27,429	3,381,694
-	-	-	371,217
-	-	-	42,810
<u>2,000</u>	<u>349,996</u>	<u>27,429</u>	<u>3,863,971</u>
844	-	-	1,886,208
-	-	-	197,905
-	-	-	31,456
-	-	-	62,342
-	-	-	290,564
-	-	-	142,336
-	-	-	367,573
-	-	-	42,086
-	-	-	162,457
-	349,996	27,429	377,425
<u>844</u>	<u>349,996</u>	<u>27,429</u>	<u>3,560,352</u>
<u>1,156</u>	<u>-</u>	<u>-</u>	<u>303,619</u>
<u>1,156</u>	<u>-</u>	<u>-</u>	<u>303,619</u>
<u>604</u>	<u>-</u>	<u>-</u>	<u>392,452</u>
<u>1,760</u>	<u>-</u>	<u>-</u>	<u>696,071</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change In Fund Balances-Total Governmental Funds	\$ 303,619
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Change in Compensated Absences	(67)
<p>Capital outlays to purchase or build capital assets are reported in governmental</p>	
Capital Outlays	-
Depreciation Expense	(2,370)
	<u>(2,370)</u>
Change In Net Position-Total Governmental Activities	<u><u>\$ 301,182</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 North Valley Academy
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 23,171
Total Assets	<u>\$ 23,171</u>
LIABILITIES	
Deposits Held for Others	\$ 23,171
Total Liabilities	<u>\$ 23,171</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 North Valley Academy
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 12,646	36,773	26,248	23,171
Total Assets	<u>\$ 12,646</u>	<u>36,773</u>	<u>26,248</u>	<u>23,171</u>
LIABILITIES				
Deposits Held for Others	\$ 12,646	36,773	26,248	23,171
Total Liabilities	<u>\$ 12,646</u>	<u>36,773</u>	<u>26,248</u>	<u>23,171</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The North Valley Academy (NVA) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The NVA does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The NVA utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment	10 years
Building and Improvements	15 years

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 9,911	-	-	9,911
Buildings and improvements	91,474	-	-	91,474
<i>Total</i>	<u>101,385</u>	<u>-</u>	<u>-</u>	<u>101,385</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(87,654)	(954)	-	(88,608)
Buildings and improvements	(3,894)	(1,416)	-	(5,310)
<i>Total</i>	<u>(91,548)</u>	<u>(2,370)</u>	<u>-</u>	<u>(93,918)</u>
Net Fixed Assets	<u>\$ 9,837</u>	<u>(2,370)</u>	<u>-</u>	<u>7,467</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Operations/Plant Maintenance	<u>\$ 2,370</u>
Total	<u>\$ 2,370</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The NVA leased facilities under long-term cancelable operating leases. Rent expense for the year ended June 30, 2014 was \$530,435. The school's minimum future payments on this lease are as follows:

Year Ending June 30:	
2015	\$ 583,670
2016	598,262
Total operating lease payments	<u>\$ 1,181,932</u>

The NVA had compensated absences balance of \$2,720 at the beginning of the fiscal year. Additions to the balance were \$67 which resulted in an ending balance of \$2,787.

B. Contingencies

No contingencies were discovered during the audit.

NOTE 4. RELATED PARTIES

The business manager performs services for other schools on a contract basis for the consulting and business office.

NOTE 5. SUBSEQUENT EVENTS

The former Head Administrator filed a lawsuit against the school for various claims. The litigation is ongoing.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	114,332	116,929	2,597
State Grant	2,649,776	2,765,398	2,765,397	(1)
Charges for Services	-	-	1,197	1,197
Total Revenues	2,649,776	2,879,730	2,883,523	3,793
Expenditures:				
Current:				
Instruction	1,828,121	1,758,621	1,522,293	236,328
Support Services:				
Students	107,194	117,723	97,813	19,910
Instruction	23,050	23,050	11,917	11,133
General Administration	57,150	119,584	75,657	43,927
School Administration	286,270	286,270	282,654	3,616
Central Services	85,974	359,567	142,077	217,490
Operation & Maintenance of Plant	388,719	398,719	365,517	33,202
Other Support Services Operations	-	42,086	42,086	-
Total Expenditures	2,776,478	3,105,620	2,540,014	565,606
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(126,702)</i>	<i>(225,890)</i>	<i>343,509</i>	<i>569,399</i>
Other Financing Sources:				
Designated Cash	126,702	225,890	-	(225,890)
Total Other Financing Sources	126,702	225,890	-	(225,890)
Net Changes in Fund Balances	-	-	343,509	343,509
Cash or Fund Balances - Beginning of Year	-	-	272,963	272,963
Cash or Fund Balances - End of Year	\$ -	-	616,472	616,472
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(105,205)	
Adjustments to Expenditures			48,984	
NET CHANGE IN FUND BALANCE			\$ 287,288	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 24,127	28,049	30,188	2,139
Total Revenues	<u>24,127</u>	<u>28,049</u>	<u>30,188</u>	<u>2,139</u>
Expenditures:				
Current:				
Instruction	72,821	78,530	36,437	42,093
Total Expenditures	<u>72,821</u>	<u>78,530</u>	<u>36,437</u>	<u>42,093</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(48,694)</u>	<u>(50,481)</u>	<u>(6,249)</u>	<u>44,232</u>
Other Financing Sources:				
Designated Cash	48,694	50,481	-	(50,481)
Total Other Financing Sources	<u>48,694</u>	<u>50,481</u>	<u>-</u>	<u>(50,481)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,249)</u>	<u>(6,249)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>52,620</u>	<u>52,620</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>46,371</u>	<u>46,371</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(2,139)	
Adjustments to Expenditures			(885)	
NET CHANGE IN FUND BALANCE			<u>\$ (9,273)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 140,000	144,000	148,326	4,326
Charges for Services	37,000	39,350	41,613	2,263
Total Revenues	177,000	183,350	189,939	6,589
Expenditures:				
Current:				
Food Services Operations	234,663	240,015	166,090	73,925
Total Expenditures	234,663	240,015	166,090	73,925
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<i>(57,663)</i>	<i>(56,665)</i>	<i>23,849</i>	<i>80,514</i>
Other Financing Sources:				
Designated Cash	57,663	56,665	-	(56,665)
Total Other Financing Sources:	57,663	56,665	-	(56,665)
Net Changes in Fund Balances	-	-	23,849	23,849
Cash or Fund Balances - Beginning of Year	-	-	56,665	56,665
Cash or Fund Balances - End of Year	\$ -	-	80,514	80,514
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(3,625)	
Adjustments to Expenditures			4,224	
NET CHANGE IN FUND BALANCE			\$ 24,448	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 North Valley Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I - IASA 24101
 For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 124,098	138,550	185,256	46,706
Total Revenues	<u>124,098</u>	<u>138,550</u>	<u>185,256</u>	<u>46,706</u>
Expenditures:				
Current:				
Instruction	122,856	137,308	118,446	18,862
Support Services:				
Students	1,242	1,242	949	293
Total Expenditures	<u>124,098</u>	<u>138,550</u>	<u>119,395</u>	<u>19,155</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>65,861</u>	<u>65,861</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>65,861</u>	<u>65,861</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>65,861</u>	<u>65,861</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(65,861)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 North Valley Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 74,654	94,831	56,937	(37,894)
Total Revenues	<u>74,654</u>	<u>94,831</u>	<u>56,937</u>	<u>(37,894)</u>
Expenditures:				
Current:				
Instruction	-	1,302	1,301	1
Support Services:				
Students	74,654	93,529	93,529	-
Total Expenditures	<u>74,654</u>	<u>94,831</u>	<u>94,830</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(37,893)</u>	<u>(37,893)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(37,893)</u>	<u>(37,893)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(37,893)</u>	<u>(37,893)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>37,893</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	960	1,650	690
Total Revenues	<u>-</u>	<u>960</u>	<u>1,650</u>	<u>690</u>
Expenditures:				
Current:				
Support Services:				
Students	-	960	960	-
Total Expenditures	<u>-</u>	<u>960</u>	<u>960</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>690</u>	<u>690</u>
 Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>690</u>	<u>690</u>
 Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>690</u>	<u>690</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			(690)	
 NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 15,971	19,492	14,893	(4,599)
Total Revenues	<u>15,971</u>	<u>19,492</u>	<u>14,893</u>	<u>(4,599)</u>
Expenditures:				
Current:				
Instruction	6,829	6,829	3,117	3,712
Support Services:				
Instruction	6,142	6,142	6,142	-
School Administration	3,000	6,521	2,072	4,449
Total Expenditures	<u>15,971</u>	<u>19,492</u>	<u>11,331</u>	<u>8,161</u>
Excess of Revenues Over Expenditures	-	-	3,562	3,562
Net Changes in Fund Balances	-	-	3,562	3,562
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,562</u>	<u>3,562</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(3,562)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
2010 Student Library Fund SB-1 27106
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 1,343	1,343	554	(789)
Total Revenues	<u>1,343</u>	<u>1,343</u>	<u>554</u>	<u>(789)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	1,343	1,343	1,343	-
Total Expenditures	<u>1,343</u>	<u>1,343</u>	<u>1,343</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(789)</u>	<u>(789)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(789)</u>	<u>(789)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(789)</u>	<u>(789)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			789	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads 27114
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	47,277	46,192	(1,085)
Total Revenues	<u>-</u>	<u>47,277</u>	<u>46,192</u>	<u>(1,085)</u>
Expenditures:				
Current:				
Instruction	-	47,277	47,276	1
Total Expenditures	<u>-</u>	<u>47,277</u>	<u>47,276</u>	<u>1</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,084)</u>	<u>(1,084)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,084)</u>	<u>(1,084)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,084)</u>	<u>(1,084)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,084	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Incentives for School Improvements 27138
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Property Taxes	\$ -	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	10,199	-	10,199
Total Expenditures	<u>-</u>	<u>10,199</u>	<u>-</u>	<u>10,199</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(10,199)</u>	<u>-</u>	<u>10,199</u>
Other Financing Sources (Uses):				
Designated Cash	-	10,199	-	(10,199)
Total Other Financing Sources (Uses)	<u>-</u>	<u>10,199</u>	<u>-</u>	<u>(10,199)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>10,199</u>	<u>10,199</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,199</u>	<u>10,199</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 120,000	119,999	113,347	(6,652)
Total Revenues	<u>120,000</u>	<u>119,999</u>	<u>113,347</u>	<u>(6,652)</u>
Expenditures:				
Current:				
Instruction	116,097	106,256	106,256	-
Support Services:	-	-		
Students	3,903	4,654	4,654	-
School Administration	-	5,829	5,829	-
Operation & Maintenance of Plant	-	3,260	3,260	-
Total Expenditures	<u>120,000</u>	<u>119,999</u>	<u>119,999</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,652)</u>	<u>(6,652)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,652)</u>	<u>(6,652)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,652)</u>	<u>(6,652)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>6,652</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GOB Instructional Materials 27171
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 29,560	29,560	-	(29,560)
Total Revenues	<u>29,560</u>	<u>29,560</u>	<u>-</u>	<u>(29,560)</u>
Expenditures:				
Current:				
Instruction	29,560	29,560	29,560	-
Total Expenditures	<u>29,560</u>	<u>29,560</u>	<u>29,560</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(29,560)</u>	<u>(29,560)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(29,560)</u>	<u>(29,560)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(29,560)</u>	<u>(29,560)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			29,560	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Grown FVV 27183
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	591	-	(591)
Total Revenues	<u>-</u>	<u>591</u>	<u>-</u>	<u>(591)</u>
Expenditures:				
Current:				
Food Services Operations	-	591	591	-
Total Expenditures	<u>-</u>	<u>591</u>	<u>591</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			591	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Next Generation Assessments 27185
For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	12,054	-	(12,054)
Total Revenues	<u>-</u>	<u>12,054</u>	<u>-</u>	<u>(12,054)</u>
Expenditures:				
Current:				
Support Services:	-	-		
Instruction	-	12,054	12,054	-
Total Expenditures	<u>-</u>	<u>12,054</u>	<u>12,054</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(12,054)</u>	<u>(12,054)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(12,054)</u>	<u>(12,054)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(12,054)</u>	<u>(12,054)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			12,054	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Private Dir Grants (Categorical) 29102
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	2,000	2,000	-
Total Revenues	<u>-</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	2,000	-	2,000
Support Services:				
Students	604	604	-	604
Total Expenditures	<u>604</u>	<u>2,604</u>	<u>-</u>	<u>2,604</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(604)</u>	<u>(604)</u>	<u>2,000</u>	<u>2,604</u>
Other Financing Sources (Uses):				
Designated Cash	604	604	-	(604)
Total Other Financing Sources (Uses)	<u>604</u>	<u>604</u>	<u>-</u>	<u>(604)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>604</u>	<u>604</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,604</u>	<u>2,604</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(844)	
NET CHANGE IN FUND BALANCE			<u>\$ 1,156</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	349,996	262,497	(87,499)
Total Revenues	<u>-</u>	<u>349,996</u>	<u>262,497</u>	<u>(87,499)</u>
Expenditures:				
Capital Outlay	-	349,996	349,996	-
Total Expenditures	<u>-</u>	<u>349,996</u>	<u>349,996</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(87,499)</u>	<u>(87,499)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(87,499)</u>	<u>(87,499)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(87,499)</u>	<u>(87,499)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>87,499</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	28,243	21,856	(6,387)
Total Revenues	<u>-</u>	<u>28,243</u>	<u>21,856</u>	<u>(6,387)</u>
Expenditures:				
Capital Outlay	-	28,243	27,429	814
Total Expenditures	<u>-</u>	<u>28,243</u>	<u>27,429</u>	<u>814</u>
Deficiency of Revenues Under Expenditures	-	-	(5,573)	(5,573)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,573)</u>	<u>(5,573)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,573)</u>	<u>(5,573)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,573	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
New Mexico Bank & Trust	Belen NM - Bond	077581LJ3	8/1/2015	\$ 200,000
				<u>\$ 200,000</u>
Total Per Schedule of Cash Accounts:				\$ 721,816
Less: FDIC Coverage:				<u>(250,000)</u>
Uninsured Public Funds:				471,816
Collateral Requirement:				235,908
Pledged Collateral Held by Pledging Financial Institution:				<u>200,000</u>
Balance Under Collateralized:				<u>\$ (35,908)</u>
Balance Uninsured and Uncollateralized at June 30, 2014:				<u>\$ 271,816</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 North Valley Academy
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>NM Bank & Trust</u>
Checking - Operational Account	\$ 721,816
<i>Total on Deposit</i>	721,816
Reconciling Items	<u>(95,412)</u>
<i>Reconciled Balance June 30, 2014</i>	<u>626,404</u>
Less Agency Funds	<u>(23,171)</u>
<i>Total Cash</i>	<u><u>\$ 603,233</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
North Valley Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Federal Projects Account 24000
Cash, June 30, 2013	\$ 225,883	50,481	56,665	(156,630)
Add:				
2013-14 Revenues	<u>2,883,523</u>	<u>30,188</u>	<u>189,939</u>	<u>258,736</u>
	3,109,406	80,669	246,604	102,106
Less:				
2013-14 Expenditures	(2,540,014)	(36,437)	(166,090)	(226,516)
Receivables/Payables	206,816	-	-	17,771
Cash June 30, 2014	<u>776,208</u>	<u>44,232</u>	<u>80,514</u>	<u>(106,639)</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>(310,524)</u>	<u>-</u>	<u>-</u>	<u>106,639</u>
Cash per Books	<u>465,684</u>	<u>44,232</u>	<u>80,514</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>94,567</u>	<u>(885)</u>	<u>-</u>	<u>-</u>
Fund Balance , Modified Accrual Basis	<u>\$ 560,251</u>	<u>43,347</u>	<u>80,514</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

State Flow Through Fund 27000	Local/State 29000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
(49,224)	604	-	(21,856)	105,923
160,093	2,000	262,497	21,856	3,808,832
110,869	2,604	262,497	-	3,914,755
(210,823)	-	(349,996)	(27,429)	(3,557,305)
21,196	-	-	-	245,783
(78,758)	2,604	(87,499)	(27,429)	603,233
88,957	-	87,499	27,429	-
10,199	2,604	-	-	603,233
-	(844)	-	-	92,838
10,199	1,760	-	-	696,071

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 29,728
Receivables	
Due from Other Governments	238,563
Other	3,229
Total Current Assets	<u>271,520</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	88,405
Less: Accumulated Depreciation	<u>(33,439)</u>
Total Noncurrent assets	<u>54,966</u>

Total Assets	<u>326,486</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	67,287
Accrued Liabilities	16,106
Due to Government	161,685
Compensated Absences	19,670
Total Current Liabilities	<u>264,748</u>

Total Liabilities	<u>264,748</u>
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NET POSITION

Investment in Capital Assets	54,966
Restricted	33,843
Unrestricted (Deficit)	<u>(27,071)</u>
Total Net position	<u>\$ 61,738</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Statement of Activities
For The Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Instruction	\$ 443,243	-	150,149	-	(293,094)
Support Services:					
Students	67,800	-	-	-	(67,800)
Instruction	7,853	-	-	-	(7,853)
General Administration	56,448	-	-	-	(56,448)
School Administration	155,096	-	-	-	(155,096)
Central Services	81,083	-	-	-	(81,083)
Operation & Maintenance of Plant	86,621	-	-	-	(86,621)
Food Services	63,576	4,200	55,869	-	(3,507)
Facilities Materials, Supplies & Other Services	62,873	-	-	62,873	-
Total Governmental Activities	\$ 1,024,593	4,200	206,018	62,873	(751,502)
			General Revenues:		
			State Equalization Guarantee	\$ 750,372	
			State Appropriations	24,770	
			Miscellaneous	8,389	
			Total General Revenues	783,531	
			Change in Net Position		32,029
			Net Position-Beginning		29,709
			Net Position-Ending		\$ 61,738

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
RALPH J BUNCHE ACADEMY
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 4,958	-	-	-	-
Accounts receivable					
Due from Government	188,737	-	-	7,937	1,682
Due from Other Funds	51,644	6,164	-	-	-
Other	3,229	-	-	-	-
Total Assets	\$ 248,568	6,164	-	7,937	1,682
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 67,287	-	-	-	-
Accrued Expenses	14,063	-	-	1,556	-
Due to Government	161,685	-	-	-	-
Due to Other Funds	-	-	12,934	6,381	1,682
Total Liabilities	243,035	-	12,934	7,937	1,682
<i>Fund Balances</i>					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	6,164	-	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditure and Other Programs	5,533	-	-	-	-
Unassigned (Deficit):	-	-	(12,934)	-	-
Total Fund Balance (Deficit)	5,533	6,164	(12,934)	-	-
Total Liabilities and Fund Balance (Deficit)	\$ 248,568	6,164	-	7,937	1,682

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Medicaid 3 - 21 Years 25153	New Mexico Reads 27114	K-3 Plus 27166	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	-	24,770	29,728
-	4,000	-	18,273	-	15,025	2,909	238,563
-	-	-	-	-	-	-	57,808
-	-	-	-	-	-	-	3,229
<u>-</u>	<u>4,000</u>	<u>-</u>	<u>18,273</u>	<u>-</u>	<u>15,025</u>	<u>27,679</u>	<u>329,328</u>
-	-	-	-	-	-	-	67,287
-	-	-	487	-	-	-	16,106
-	-	-	-	-	-	-	161,685
-	4,000	-	17,786	-	15,025	-	57,808
<u>-</u>	<u>4,000</u>	<u>-</u>	<u>18,273</u>	<u>-</u>	<u>15,025</u>	<u>-</u>	<u>302,886</u>
-	-	-	-	-	-	-	6,164
-	-	-	-	-	-	27,679	27,679
-	-	-	-	-	-	-	5,533
-	-	-	-	-	-	-	(12,934)
-	-	-	-	-	-	27,679	26,442
<u>-</u>	<u>4,000</u>	<u>-</u>	<u>18,273</u>	<u>-</u>	<u>15,025</u>	<u>27,679</u>	<u>329,328</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Ralph J Bunche Academy
 Reconciliation of the Balance Sheet of Governmental Funds to
 The Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 26,442**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	88,405	
Accumulated Depreciation	(33,439)	
	54,966	54,966

Long-term liabilities are not due in the current period and,
 therefore, are not reported in the funds.

Compensated Absences	(19,670)	
	(19,670)	(19,670)

Net Position-Total Governmental Activities **\$ 61,738**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	8,389	-	-	-	-
State Grant	750,372	5,561	-	-	-
Federal Grant	-	-	55,869	36,453	20,273
Charges for Services	4,186	-	14	-	-
Total Revenues	<u>762,947</u>	<u>5,561</u>	<u>55,883</u>	<u>36,453</u>	<u>20,273</u>
Expenditures:					
Current:					
Instruction	313,137	818	-	36,453	20,273
Support Services:					
Students	40,568	-	-	-	-
Instruction	7,853	-	-	-	-
General Administration	56,448	-	-	-	-
School Administration	150,082	-	-	-	-
Central Services	81,083	-	-	-	-
Operation & Maintenance of Plant	86,621	-	-	-	-
Food Services Operations	4,930	-	58,646	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>740,722</u>	<u>818</u>	<u>58,646</u>	<u>36,453</u>	<u>20,273</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>22,225</u>	<u>4,743</u>	<u>(2,763)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>22,225</u>	<u>4,743</u>	<u>(2,763)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)- Beginning of Year	<u>(16,692)</u>	<u>1,421</u>	<u>(10,171)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 5,533</u>	<u>6,164</u>	<u>(12,934)</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Medicaid 3 - 21 Years 25153	New Mexico Reads 27114	K-3 Plus 27166	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	-	27,835	27,835
-	-	-	-	-	-	-	8,389
-	-	-	48,673	32,060	59,808	2,909	899,383
220	4,000	-	-	-	-	-	116,815
-	-	-	-	-	-	-	4,200
<u>220</u>	<u>4,000</u>	<u>-</u>	<u>48,673</u>	<u>32,060</u>	<u>59,808</u>	<u>30,744</u>	<u>1,056,622</u>
220	3,900	1,417	25,909	24,827	-	-	426,954
-	-	2,249	22,764	2,219	-	-	67,800
-	-	-	-	-	-	-	7,853
-	-	-	-	-	-	-	56,448
-	-	-	-	5,014	-	-	155,096
-	-	-	-	-	-	-	81,083
-	-	-	-	-	-	-	86,621
-	-	-	-	-	-	-	63,576
-	-	-	-	-	59,808	3,065	62,873
<u>220</u>	<u>3,900</u>	<u>3,666</u>	<u>48,673</u>	<u>32,060</u>	<u>59,808</u>	<u>3,065</u>	<u>1,008,304</u>
-	100	(3,666)	-	-	-	27,679	48,318
-	100	(3,666)	-	-	-	27,679	48,318
-	(100)	3,666	-	-	-	-	(21,876)
-	-	-	-	-	-	27,679	26,442

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds	\$ 48,318
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>	
Change in Compensated Absences	(8,707)
<p>Capital Outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period</p>	
Capital Outlays	-
Depreciation Expense	(7,582)
	<u>(7,582)</u>
Change in Net Position-Total Governmental Activities	\$ <u>32,029</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 RALPH J BUNCHE ACADEMY
 Statement of Fiduciary Assets and Liabilities- Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ -
Total Assets	<u>\$ -</u>
LIABILITIES	
Deposits Held for Others	\$ -
Total Liabilities	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
RALPH J BUNCHE ACADEMY
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ -	53	53	-
Total Assets	<u>\$ -</u>	<u>53</u>	<u>53</u>	<u>-</u>
LIABILITIES				
Deposits Held for Others	\$ -	53	53	-
Total Liabilities	<u>\$ -</u>	<u>53</u>	<u>53</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J. Bunche Academy
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Ralph J. Bunche Academy's (RBA) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The RBA does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The RBA utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Playground Equipment	10 years
Phone System	3 years

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	88,405	-	-	88,405
<i>Total</i>	88,405	-	-	88,405
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(25,857)	(7,582)	-	(33,439)
<i>Total</i>	(25,857)	(7,582)	-	(33,439)
Net Fixed Assets	\$ 62,548	(7,582)	-	54,966

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 7,582
Total	<u>\$ 7,582</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J. Bunche Academy
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The RBA leased facilities under long-term cancelable operating leases. Rent expense for the year ended June 30, 2014 was \$59,808. The RBA has no minimum future payments.

The RBA had a compensated absences balance of \$10,963 at the beginning of the fiscal year. Additions to the balance were \$8,707 which resulted in an ending balance of \$19,670. All of this balance is considered to be current.

B. Contingencies

No contingencies discovered during the audit.

NOTE 4. RELATED PARTIES

The business manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

NOTE 5. SUBSEQUENT EVENTS

After fiscal year 2014 NM PED did not renew the RBAs charter agreement. The governing council has filed a law suit against NM PED, outcome unknown.

The RBA had filed amended payroll tax returns for a Section 218 agreement that was accepted by the IRS. The full refund of \$188,737 was received after the end of the fiscal year and has been recorded as accounts receivable. The RBA received \$161,685 for the employer portion and the remainder of \$27,052 was distributed to employees. The employer portion is recorded on the financials as due to government, to be reverted back to NM PED.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 789,094	750,373	750,372	(1)
Charges for Services	-	-	4,186	4,186
Other Miscellaneous	6,400	-	-	-
Total Revenues	<u>795,494</u>	<u>750,373</u>	<u>754,558</u>	<u>4,185</u>
Expenditures:				
Current:				
Instruction	381,058	329,118	310,414	18,704
Support Services:				
Students	94,718	67,046	44,849	22,197
Instruction	3,000	1,241	1,231	10
General Administration	26,357	38,198	36,265	1,933
School Administration	146,190	156,433	151,243	5,190
Central Services	86,375	89,776	88,184	1,592
Operation & Maintenance of Plant	77,796	94,961	82,415	12,546
Total Expenditures	<u>815,494</u>	<u>776,773</u>	<u>714,601</u>	<u>62,172</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(20,000)</u>	<u>(26,400)</u>	<u>39,957</u>	<u>66,357</u>
Other Financing Sources (Uses):				
Designated Cash	20,000	26,400	-	(26,400)
Total Other Financing Sources (Uses):	<u>20,000</u>	<u>26,400</u>	<u>-</u>	<u>(26,400)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>39,957</u>	<u>39,957</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>21,210</u>	<u>21,210</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>61,167</u>	<u>61,167</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			8,389	
Adjustments to expenditures			(26,121)	
NET CHANGE IN FUND BALANCE			<u>\$ 22,225</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 5,561	5,561	6,963	1,402
Total Revenues	<u>5,561</u>	<u>5,561</u>	<u>6,963</u>	<u>1,402</u>
Expenditures:				
Current:				
Instruction	6,982	6,982	818	6,164
Total Expenditures	<u>6,982</u>	<u>6,982</u>	<u>818</u>	<u>6,164</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(1,421)</u>	<u>(1,421)</u>	<u>6,145</u>	<u>7,566</u>
Other Financing Sources (Uses):				
Designated Cash	1,421	1,421	-	(1,421)
Total Other Financing Sources (Uses):	<u>1,421</u>	<u>1,421</u>	<u>-</u>	<u>(1,421)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,145</u>	<u>6,145</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,421</u>	<u>1,421</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,566</u>	<u>7,566</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1,402)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 4,743</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 68,439	68,439	62,918	(5,521)
Charges for Services	-	-	14	14
Total Revenues	<u>68,439</u>	<u>68,439</u>	<u>62,932</u>	<u>(5,507)</u>
Expenditures:				
Current:				
Food Services Operations	68,439	68,439	66,037	2,402
Total Expenditures	<u>68,439</u>	<u>68,439</u>	<u>66,037</u>	<u>2,402</u>
Deficiency of Revenues				
Under Expenditures	-	-	(3,105)	(3,105)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,105)</u>	<u>(3,105)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,105)</u>	<u>(3,105)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(7,049)	
Adjustments to Expenditures			7,391	
NET CHANGE IN FUND BALANCE			<u>\$ (2,763)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 38,668	36,453	33,610	(2,843)
Total Revenues	<u>38,668</u>	<u>36,453</u>	<u>33,610</u>	<u>(2,843)</u>
Expenditures:				
Current:				
Instruction	38,668	36,453	36,453	-
Total Expenditures	<u>38,668</u>	<u>36,453</u>	<u>36,453</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(2,843)	(2,843)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,843)</u>	<u>(2,843)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,095</u>	<u>5,095</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,252</u>	<u>2,252</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,843	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	20,273	18,591	(1,682)
Total Revenues	<u>-</u>	<u>20,273</u>	<u>18,591</u>	<u>(1,682)</u>
Expenditures:				
Current:				
Instruction	-	20,273	20,273	-
Total Expenditures	<u>-</u>	<u>20,273</u>	<u>20,273</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(1,682)	(1,682)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,682)</u>	<u>(1,682)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,682)</u>	<u>(1,682)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,682	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	220	359	139
Total Revenues	<u>-</u>	<u>220</u>	<u>359</u>	<u>139</u>
Expenditures:				
Current:				
Instruction	-	220	220	-
Total Expenditures	<u>-</u>	<u>220</u>	<u>220</u>	<u>-</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	-	-	139	139
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>139</u>	<u>139</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>139</u>	<u>139</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(139)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 3,865	4,366	-	(4,366)
Total Revenues	<u>3,865</u>	<u>4,366</u>	<u>-</u>	<u>(4,366)</u>
Expenditures:				
Current:				
Instruction	3,865	4,241	4,000	241
Support Services:				
School Administration	-	125	-	125
Total Expenditures	<u>3,865</u>	<u>4,366</u>	<u>4,000</u>	<u>366</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,000)</u>	<u>(4,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(100)</u>	<u>(100)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,100)</u>	<u>(4,100)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			4,000	
Adjustments to Expenditures			100	
NET CHANGE IN FUND BALANCE			<u>\$ 100</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Medicaid 3 - 21 Years 25153
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	3,666	3,666	-
Total Revenues	<u>-</u>	<u>3,666</u>	<u>3,666</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	1,417	1,417	-
Support Services:				
Students	-	2,249	2,249	-
Total Expenditures	<u>-</u>	<u>3,666</u>	<u>3,666</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,666</u>	<u>3,666</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,666</u>	<u>3,666</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(3,666)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (3,666)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
RALPH J BUNCHE ACADEMY
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads 27114
For The Year Ended June 30,2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	48,674	30,400	(18,274)
Total Revenues	<u>-</u>	<u>48,674</u>	<u>30,400</u>	<u>(18,274)</u>
Expenditures:				
Current:				
Instruction	-	25,909	25,909	-
Support Services:				
Students	-	22,765	22,764	1
Total Expenditures	<u>-</u>	<u>48,674</u>	<u>48,673</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(18,273)</u>	<u>(18,273)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(18,273)</u>	<u>(18,273)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(18,273)</u>	<u>(18,273)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>18,273</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
K-3 Plus 27166
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 45,800	32,060	41,660	9,600
Total Revenues	<u>45,800</u>	<u>32,060</u>	<u>41,660</u>	<u>9,600</u>
Expenditures:				
Current:				
Instruction	34,233	24,827	24,827	-
Support Services:				
Students	2,619	2,219	2,219	-
School Administration	8,948	5,014	5,014	-
Total Expenditures	<u>45,800</u>	<u>32,060</u>	<u>32,060</u>	<u>-</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	-	-	9,600	9,600
Net Changes in Fund Balances	-	-	9,600	9,600
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>9,600</u>	<u>9,600</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(9,600)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	60,100	44,783	(15,317)
Total Revenues	<u>-</u>	<u>60,100</u>	<u>44,783</u>	<u>(15,317)</u>
Expenditures:				
Capital Outlay	-	60,100	59,808	292
Total Expenditures	<u>-</u>	<u>60,100</u>	<u>59,808</u>	<u>292</u>
<i>Deficiency of Revenues Under Expenditures</i>	<u>-</u>	<u>-</u>	<u>(15,025)</u>	<u>(15,025)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(15,025)</u>	<u>(15,025)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(15,025)</u>	<u>(15,025)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>15,025</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 29,292	29,292	27,835	(1,457)
State Grant	2,910	2,910	-	(2,910)
Total Revenues	<u>32,202</u>	<u>32,202</u>	<u>27,835</u>	<u>(4,367)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	293	293	-	293
Capital Outlay	<u>31,909</u>	<u>31,909</u>	<u>3,065</u>	<u>28,844</u>
Total Expenditures	<u>32,202</u>	<u>32,202</u>	<u>3,065</u>	<u>29,137</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>24,770</u>	<u>24,770</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>24,770</u>	<u>24,770</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>24,770</u>	<u>24,770</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>2,909</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 27,679</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	35,117
Less: FDIC Coverage:		<u>(35,117)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance (Over) Under Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Ralph J Bunche Academy
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	<u>\$ 35,117</u>
Total on Deposit	35,117
Reconciling Items	<u>(5,389)</u>
Reconciled Balance June 30, 2014	<u>29,728</u>
Less Agency Funds	<u>-</u>
Total Cash	<u><u>\$ 29,728</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Ralph J Bunche Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000
	<u>11000</u>	<u>14000</u>	<u>21000</u>
Cash, June 30, 2013	\$ 12,618	19	(2,780)
Add:			
2013-14 Revenues	<u>759,718</u>	<u>5,561</u>	<u>62,932</u>
Total Cash Available	772,336	5,580	60,152
Less:			
2013-14 Expenditures	(714,601)	(818)	(66,037)
Receivables/Payables	11,747	(4,762)	(7,049)
Outstanding Loans	<u>(58,014)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>11,468</u>	<u>-</u>	<u>(12,934)</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>(6,510)</u>	<u>-</u>	<u>12,934</u>
Cash per Books	<u>4,958</u>	<u>-</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>575</u>	<u>6,164</u>	<u>(12,934)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 5,533</u>	<u>6,164</u>	<u>(12,934)</u>

The accompanying notes are an integral part of these financial statements

Activity Fund	Federal FlowThrough	Federal Direct Fund	State FlowThrough	Public School Capital Outlay	Capital Improv. SB9	Total
23000	24000	25000	27000	31200	31700	
(259)	-	-	-	-	-	9,598
<u>53</u>	<u>52,559</u>	<u>3,666</u>	<u>72,059</u>	<u>44,783</u>	<u>27,835</u>	<u>1,029,166</u>
(206)	52,559	3,666	72,059	44,783	27,835	1,038,764
-	(60,945)	(3,666)	(80,734)	(59,808)	(3,065)	(989,674)
-	1,555	-	487	-	-	1,978
-	(5,231)	-	(9,599)	-	-	(72,844)
<u>(206)</u>	<u>(12,062)</u>	<u>-</u>	<u>(17,787)</u>	<u>(15,025)</u>	<u>24,770</u>	<u>(21,776)</u>
<u>206</u>	<u>12,062</u>	<u>-</u>	<u>17,787</u>	<u>15,025</u>	<u>-</u>	<u>51,504</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,770</u>	<u>29,728</u>
						Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund: -
						Balance Sheets - Governmental Funds: \$ 29,728
-	-	-	-	-	2,909	(3,286)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,679</u>	<u>26,442</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 99,861
Receivables	
Due from Other Governments	41,388
Total Current Assets	<u>141,249</u>

Noncurrent Assets:

Capital Assets	
Leasehold Improvements	79,052
Furniture, Fixtures, and Equipment	206,215
Less: Accumulated Depreciation	(250,326)
Total Noncurrent Assets	<u>34,941</u>
Total Assets	<u>176,190</u>

LIABILITIES

Current Liabilities:

Accounts Payable	2,487
Accrued Liabilities	4,144
Due to Government	5,938
Total Current Liabilities	<u>12,569</u>
Total Liabilities	<u>12,569</u>

NET POSITION

Investment in Capital Assets	34,941
Restricted	49,176
Unrestricted	79,504
Total Net Position	<u>\$ 163,621</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 411,221	4,871	76,883	-	(329,467)
Support Services:					
Students	62,590	-	-	-	(62,590)
Instruction	2,125	-	-	-	(2,125)
General Administration	70,991	-	-	-	(70,991)
School Administration	61,872	-	-	-	(61,872)
Central Services	30,667	-	-	-	(30,667)
Operation & Maintenance of Plant	40,348	-	-	-	(40,348)
Student Transportation	36,141	-	36,141	-	-
Food Service Operations	21,933	-	-	-	(21,933)
Facilities Materials, Supplies & Other Services	54,314	-	-	54,314	-
Total Governmental Activities	\$ 792,202	4,871	113,024	54,314	(619,993)
General Revenues:					
State Equalization Guarantee					\$ 665,499
Miscellaneous					-
Total General Revenues					<u>665,499</u>
Change in Net Position					45,506
Net Position, Beginning					<u>118,115</u>
Net Position, Ending					<u>\$ 163,621</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	<u>Operational 11000</u>	<u>Pupil Transportation 13000</u>	<u>Instructional Materials 14000</u>	<u>Title I IASA 24101</u>	<u>IDEA-B Entitlement 24106</u>
ASSETS					
Cash and Cash Equivalents	\$ 44,747	50,948	4,166	-	-
Accounts Receivable					
Due from Government	-	-	-	2,536	931
Due from Other Funds	55,395	-	-	-	-
<i>Total Assets</i>	<u>\$ 100,142</u>	<u>50,948</u>	<u>4,166</u>	<u>2,536</u>	<u>931</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 2,487	-	-	-	-
Accrued Expenditures	4,144	-	-	-	-
Due to Government	-	5,938	-	-	-
Due to Other Funds	-	-	-	2,536	931
Total Liabilities	<u>6,631</u>	<u>5,938</u>	<u>-</u>	<u>2,536</u>	<u>931</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Restricted for:					
Student Transportation	-	45,010	-	-	-
Student Instruction	-	-	4,166	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	93,511	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
Total Fund Balances (Deficit)	<u>93,511</u>	<u>45,010</u>	<u>4,166</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 100,142</u>	<u>50,948</u>	<u>4,166</u>	<u>2,536</u>	<u>931</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Rural Education Achievement 25233	2012 GO Bond Student Library SB-66 27107	NM Reads to Leads 27114
-	-	-	-	-
-	1,261	-	1,100	7,707
-	-	-	-	-
-	1,261	-	1,100	7,707
-	-	-	-	-
-	-	-	-	-
-	1,261	13,037	1,100	7,707
-	1,261	13,037	1,100	7,707
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	(13,037)	-	-
-	-	(13,037)	-	-
-	1,261	-	1,100	7,707

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	Pre-K Initiative 27149	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	99,861
Accounts Receivable				
Due from Government	10,941	12,467	4,445	41,388
Due from Other Funds	-	-	-	55,395
<i>Total Assets</i>	<u>\$ 10,941</u>	<u>12,467</u>	<u>4,445</u>	<u>196,644</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	2,487
Accrued Expenditures	-	-	-	4,144
Due to Government	-	-	-	5,938
Due to Other Funds	10,941	12,467	5,415	55,395
Total Liabilities	<u>10,941</u>	<u>12,467</u>	<u>5,415</u>	<u>67,964</u>
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Student Transportation	-	-	-	45,010
Student Instruction	-	-	-	4,166
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	93,511
Unassigned (Deficit)	-	-	(970)	(14,007)
Total Fund Balances (Deficit)	<u>-</u>	<u>-</u>	<u>(970)</u>	<u>128,680</u>
<i>Total Liabilities and Fund Balances (Deficit)</i>	<u>\$ 10,941</u>	<u>12,467</u>	<u>4,445</u>	<u>196,644</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 128,680**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	285,267	
Accumulated Depreciation	(250,326)	
	34,941	

Net Position-Total Governmental Activities **\$ 163,621**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
State Grant	\$ 665,499	36,141	4,626	-	-
Federal Grant	-	-	-	6,509	15,161
Fees	4,871	-	-	-	-
Total Revenues	670,370	36,141	4,626	6,509	15,161
Expenditures:					
Current:					
Instruction	341,376	-	4,001	6,509	-
Support Services:					
Students	35,621	-	-	-	15,161
Instruction	-	-	1,025	-	-
General Administration	70,991	-	-	-	-
School Administration	61,872	-	-	-	-
Central Services	30,667	-	-	-	-
Operation & Maintenance of Plant	40,348	-	-	-	-
Student Transportation	-	36,141	-	-	-
Food Services Operations	21,933	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	602,808	36,141	5,026	6,509	15,161
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	67,562	-	(400)	-	-
Net Changes in Fund Balances	67,562	-	(400)	-	-
Fund Balances (Deficit) - Beginning of Year	25,949	45,010	4,566	-	-
Fund Balances (Deficit) - End of Year	\$ 93,511	45,010	4,166	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Rural Education Achievement 25233	2012 GO Bond Student Library SB-66 27107	NM Reads to Leads 27114
-	-	-	1,100	7,707
11,808	1,261	-	-	-
-	-	-	-	-
<u>11,808</u>	<u>1,261</u>	<u>-</u>	<u>1,100</u>	<u>7,707</u>
-	1,261	13,037	-	7,707
11,808	-	-	-	-
-	-	-	1,100	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>11,808</u>	<u>1,261</u>	<u>13,037</u>	<u>1,100</u>	<u>7,707</u>
-	-	(13,037)	-	-
-	-	(13,037)	-	-
-	-	-	-	-
-	-	(13,037)	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Pre-K Initiative 27149	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
Revenues:				
State Grant	\$ 28,711	49,868	4,446	798,098
Federal Grant	-	-	-	34,739
Fees	-	-	-	4,871
Total Revenues	28,711	49,868	4,446	837,708
Expenditures:				
Current:				
Instruction	28,711	-	-	402,602
Support Services:				
Students	-	-	-	62,590
Instruction	-	-	-	2,125
General Administration	-	-	-	70,991
School Administration	-	-	-	61,872
Central Services	-	-	-	30,667
Operation & Maintenance of Plant	-	-	-	40,348
Student Transportation	-	-	-	36,141
Food Services Operations	-	-	-	21,933
Capital Outlay	-	49,868	4,446	54,314
Total Expenditures	28,711	49,868	4,446	783,583
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	54,125
Net Changes in Fund Balances	-	-	-	54,125
Fund Balances (Deficit) - Beginning of Year	-	-	(970)	74,555
Fund Balances (Deficit) - End of Year	\$ -	-	(970)	128,680

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 54,125**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	-		
Depreciation Expense	(8,619)		(8,619)

Change in Net Position-Total Governmental Activities **\$ 45,506**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Red River Valley Charter School's (RRVCS) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The RRVCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The RRVCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-20 years
Leasehold Improvements	10-25 years

Capital assets for the RRVCS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30,</u>
				<u>2014</u>
<i>Capital Assets being Depreciated:</i>				
Buildings and Improvements	\$ 79,052	-	-	79,052
Furniture, Fixtures and Equipment	206,215	-	-	206,215
<i>Total</i>	<u>285,267</u>	<u>-</u>	<u>-</u>	<u>285,267</u>
<i>Less: Accumulated Depreciation</i>				
Buildings and Improvements	(50,965)	(3,206)	-	(54,171)
Furniture, Fixtures and Equipment	(190,742)	(5,413)	-	(196,155)
<i>Total</i>	<u>(241,707)</u>	<u>(8,619)</u>	<u>-</u>	<u>(250,326)</u>
Capital Assets, Net	<u>\$ 43,560</u>	<u>(8,619)</u>	<u>-</u>	<u>34,941</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following function:

Instruction	\$	8,619
Total	<u>\$</u>	<u>8,619</u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The RRVCS leased facilities and equipment under short-term cancelable operating leases. Rental expense for the year was \$49,868. The RRVCS's minimum future payments are based on the total allocation from the Public School Capital Outlay Funds.

NOTE 4. FUND BALANCE DEFICIT

The following funds had deficient fund balances at June 30, 2014:

Rural Education Achievement - 25233	\$	(13,037)
SB-9 Capital Improvements - 31700	\$	(970)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 572,609	665,503	665,499	(4)
Fees	3,300	3,300	4,871	1,571
Total Revenues	<u>575,909</u>	<u>668,803</u>	<u>670,370</u>	<u>1,567</u>
Expenditures:				
Current:				
Instruction	357,071	371,697	341,376	30,321
Support Services:				
Students	34,659	40,330	35,621	4,709
General Administration	67,382	72,840	70,991	1,849
School Administration	83,874	88,223	61,872	26,351
Central Services	22,658	40,792	30,667	10,125
Operation & Maintenance of Plant	46,066	74,525	40,348	34,177
Food Services Operations	3,818	23,852	21,933	1,919
Total Expenditures	<u>615,528</u>	<u>712,259</u>	<u>602,808</u>	<u>109,451</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(39,619)</u>	<u>(43,456)</u>	<u>67,562</u>	<u>111,018</u>
Other Financing Sources (Uses):				
Designated Cash	39,619	43,456	-	(43,456)
Total Other Financing Sources (Uses):	<u>39,619</u>	<u>43,456</u>	<u>-</u>	<u>(43,456)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>67,562</u>	<u>67,562</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>32,580</u>	<u>32,580</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>100,142</u>	<u>100,142</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 67,562</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 40,810	36,141	36,141	-
Total Revenues	<u>40,810</u>	<u>36,141</u>	<u>36,141</u>	<u>-</u>
Expenditures:				
Current:				
Student Transportation	40,810	75,215	75,215	-
Total Expenditures	<u>40,810</u>	<u>75,215</u>	<u>75,215</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	(39,074)	(39,074)	-
Other Financing Sources (Uses):				
Designated Cash	-	39,074	-	(39,074)
Total Other Financing Sources (Uses):	<u>-</u>	<u>39,074</u>	<u>-</u>	<u>(39,074)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(39,074)</u>	<u>(39,074)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>90,022</u>	<u>90,022</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>50,948</u>	<u>50,948</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>39,074</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 4,046	4,046	5,522	1,476
Total Revenues	<u>4,046</u>	<u>4,046</u>	<u>5,522</u>	<u>1,476</u>
Expenditures:				
Current:				
Instruction	4,046	4,046	4,001	45
Support Services:				
Instruction	2,715	2,715	1,025	1,690
Total Expenditures	<u>6,761</u>	<u>6,761</u>	<u>5,026</u>	<u>1,735</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(2,715)</u>	<u>(2,715)</u>	<u>496</u>	<u>3,211</u>
Other Financing Sources (Uses):				
Designated Cash	2,715	2,715	-	(2,715)
Total Other Financing Sources (Uses):	<u>2,715</u>	<u>2,715</u>	<u>-</u>	<u>(2,715)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>496</u>	<u>496</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,670</u>	<u>3,670</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,166</u>	<u>4,166</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(896)	
NET CHANGE IN FUND BALANCE			<u>\$ (400)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I IASA 24101
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	25,514	5,119	(20,395)
Total Revenues	<u>-</u>	<u>25,514</u>	<u>5,119</u>	<u>(20,395)</u>
Expenditures:				
Current:				
Instruction	-	25,514	6,509	19,005
Total Expenditures	<u>-</u>	<u>25,514</u>	<u>6,509</u>	<u>19,005</u>
Deficiency of Revenues				
Under Expenditures	-	-	(1,390)	(1,390)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,390)</u>	<u>(1,390)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,146)</u>	<u>(1,146)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,536)</u>	<u>(2,536)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,390	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	15,161	21,843	6,682
Total Revenues	<u>-</u>	<u>15,161</u>	<u>21,843</u>	<u>6,682</u>
Expenditures:				
Current:				
Support Services:				
Students	-	15,161	15,161	-
Total Expenditures	<u>-</u>	<u>15,161</u>	<u>15,161</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	6,682	6,682
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,682</u>	<u>6,682</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(7,613)</u>	<u>(7,613)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(931)</u>	<u>(931)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(6,682)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Risk Pool 24120
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	11,808	31,040	19,232
Total Revenues	<u>-</u>	<u>11,808</u>	<u>31,040</u>	<u>19,232</u>
Expenditures:				
Current:				
Support Services:				
Students	-	11,808	11,808	-
Total Expenditures	<u>-</u>	<u>11,808</u>	<u>11,808</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>19,232</u>	<u>19,232</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>19,232</u>	<u>19,232</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(19,232)</u>	<u>(19,232)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(19,232)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher and Principal Training 24154
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	2,950	-	(2,950)
Total Revenues	<u>-</u>	<u>2,950</u>	<u>-</u>	<u>(2,950)</u>
Expenditures:				
Current:				
Instruction	-	2,950	1,261	1,689
Total Expenditures	<u>-</u>	<u>2,950</u>	<u>1,261</u>	<u>1,689</u>
Deficiency of Revenues				
Under Expenditures	-	-	(1,261)	(1,261)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,261)</u>	<u>(1,261)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,261)</u>	<u>(1,261)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,261	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Rural Education Achievement 25233
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	13,274	-	(13,274)
Total Revenues	<u>-</u>	<u>13,274</u>	<u>-</u>	<u>(13,274)</u>
Expenditures:				
Current:				
Instruction	-	13,274	13,037	237
Total Expenditures	<u>-</u>	<u>13,274</u>	<u>13,037</u>	<u>237</u>
Deficiency of Revenues Over Expenditures	-	-	(13,037)	(13,037)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(13,037)</u>	<u>(13,037)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(13,037)</u>	<u>(13,037)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (13,037)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bond Student Library SB-66 27107
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ 3,077	3,077	-	(3,077)
Total Revenues	<u>3,077</u>	<u>3,077</u>	<u>-</u>	<u>(3,077)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,077	3,077	1,100	1,977
Total Expenditures	<u>3,077</u>	<u>3,077</u>	<u>1,100</u>	<u>1,977</u>
Deficiency of Revenues				
Under Expenditures	-	-	(1,100)	(1,100)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,100)</u>	<u>(1,100)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,100)</u>	<u>(1,100)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,100	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 NM Reads to Leads 27114
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	23,051	-	(23,051)
Total Revenues	<u>-</u>	<u>23,051</u>	<u>-</u>	<u>(23,051)</u>
Expenditures:				
Current:				
Instruction	-	23,051	7,707	15,344
Total Expenditures	<u>-</u>	<u>23,051</u>	<u>7,707</u>	<u>15,344</u>
Deficiency of Revenues				
Under Expenditures	-	-	(7,707)	(7,707)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,707)</u>	<u>(7,707)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,707)</u>	<u>(7,707)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			7,707	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Pre-K Initiative 27149
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 40,000	40,000	26,173	(13,827)
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>26,173</u>	<u>(13,827)</u>
Expenditures:				
Current:				
Instruction	30,000	30,000	28,711	1,289
Student Transportation	10,000	10,000	-	10,000
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>28,711</u>	<u>11,289</u>
Deficiency of Revenues				
Under Expenditures	-	-	(2,538)	(2,538)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,538)</u>	<u>(2,538)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(8,403)</u>	<u>(8,403)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(10,941)</u>	<u>(10,941)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,538	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	49,868	48,860	(1,008)
Total Revenues	<u>-</u>	<u>49,868</u>	<u>48,860</u>	<u>(1,008)</u>
Expenditures:				
Capital Outlay	-	49,868	49,868	-
Total Expenditures	<u>-</u>	<u>49,868</u>	<u>49,868</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(1,008)	(1,008)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,008)</u>	<u>(1,008)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(11,459)</u>	<u>(11,459)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(12,467)</u>	<u>(12,467)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,008	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 SB-9 Capital Improvements 31700
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,915	5,319	3,458	(1,861)
Total Revenues	<u>1,915</u>	<u>5,319</u>	<u>3,458</u>	<u>(1,861)</u>
Expenditures:				
Current:				
Operation & Maintenance of Plant	-	873	-	873
Capital Outlay	1,915	4,446	4,446	-
Total Expenditures	<u>1,915</u>	<u>5,319</u>	<u>4,446</u>	<u>873</u>
Deficiency of Revenues				
Under Expenditures	-	-	(988)	(988)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(988)</u>	<u>(988)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(4,427)</u>	<u>(4,427)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,415)</u>	<u>(5,415)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			988	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
				\$ -
				\$ -
Total Cash per Schedule of Cash Accounts:				\$ 121,409
Less: FDIC Coverage:				<u>(121,409)</u>
Uninsured Public Funds:				-
Collateral Requirement:				-
Pledged Collateral Held by Pledging Financial Institution:				<u>-</u>
Balance (Over) Under Collateralized:				<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:				<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Red River Valley Charter School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Peoples Bank</u>
Checking - Operational Account	\$ 121,309
Petty Cash	100
<i>Total on Deposit</i>	<u>121,409</u>
Reconciling Items	<u>(21,548)</u>
Reconciled Balance June 30, 2014	<u>99,861</u>
<i>Total Cash</i>	<u><u>\$ 99,861</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Red River Valley Charter School
Cash Reconciliation
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Federal Project Accounts 24000
Cash, June 30, 2013	\$ -	70,424	3,669	-
Add:				
2013-14 Revenues	670,370	36,141	5,522	58,002
Total Cash Available	670,370	106,565	9,191	30,011
Less:				
2013-14 Expenditures	(602,808)	(75,215)	(5,025)	(34,739)
Total Outstanding Loans	(55,395)	19,598	-	(23,263)
Receivables/Payables	(102)	-	-	-
Cash June 30, 2014	44,747	50,948	4,166	-
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	-	-	-	-
Cash per Books	44,747	50,948	4,166	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	48,764	(5,938)	-	-
Fund Balance , Modified Accrual Basis	\$ 93,511	45,010	4,166	-

The accompanying notes are an integral part of these financial statements

Federal Direct Account 25000	State Flow Through Fund 27000	Public School Capital Outlay 31200	Capital Improvements SB-9 31700	Total
-	-	-	-	74,094
-	26,173	48,860	3,458	848,526
-	26,173	48,860	3,458	922,620
(13,037)	(37,518)	(49,868)	(4,446)	(822,657)
13,037	11,345	1,008	988	-
-	-	-	-	(102)
-	-	-	-	99,861
-	-	-	-	-
-	-	-	-	99,861
(13,037)	-	-	(970)	28,819
(13,037)	-	-	(970)	128,680

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	129,629
Receivables		
Due from Other Governments		118,025
Deposits		33,000
Total Current Assets		<u>280,654</u>

Noncurrent Assets:

Capital Assets		
Furniture, Fixtures, and Equipment		23,261
Less: Accumulated Depreciation		<u>(7,246)</u>
Total Noncurrent Assets		<u>16,015</u>

Total Assets		<u>296,669</u>
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LIABILITIES

Current Liabilities:

Accounts Payable		17,447
Accrued Liabilities		63,942
Total Current Liabilities		<u>81,389</u>

Total Liabilities		<u>81,389</u>
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NET POSITION

Investment in Capital Assets		16,015
Restricted		91,468
Unrestricted		107,797
		<u>215,280</u>

Total Net Position	\$	<u>215,280</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 829,935	775	163,572	-	(665,588)
Support Services:					
Students	49,451	-	-	-	(49,451)
Instruction	44,705	-	-	-	(44,705)
General Administration	22,534	-	-	-	(22,534)
School Administration	154,022	-	-	-	(154,022)
Central Services	111,611	-	-	-	(111,611)
Operation & Maintenance of Plant	206,220	-	-	-	(206,220)
Facilities Materials, Supplies & Other Services	104,333	-	-	104,333	-
Total Governmental Activities	\$ 1,522,811	775	163,572	104,333	(1,254,131)
General Revenues:					
State Equalization Guarantee					\$ 1,376,264
Total General Revenues					<u>1,376,264</u>
Change in Net Position					122,133
Net Position, Beginning					<u>93,147</u>
Net Position, Ending					<u>\$ 215,280</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 114,069	15,350	-	-
Accounts Receivable				
Due from Government	-	-	33,954	419
Due from Other Funds	74,799	-	-	-
Deposits	-	-	-	-
<i>Total Assets</i>	<u>\$ 188,868</u>	<u>15,350</u>	<u>33,954</u>	<u>419</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ 17,129	-	-	-
Accrued Expenditures	63,942	-	-	-
Due to Other Funds	-	-	33,954	419
<i>Total Liabilities</i>	<u>81,071</u>	<u>-</u>	<u>33,954</u>	<u>419</u>
<i>Fund Balances</i>				
Fund Balance:				
Non Spendable:				
Deposits	-	-	-	-
Restricted for:				
Instruction	-	15,350	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	107,797	-	-	-
<i>Total Fund Balance</i>	<u>107,797</u>	<u>15,350</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 188,868</u>	<u>15,350</u>	<u>33,954</u>	<u>419</u>

The accompanying notes are an integral part of these financial statements

Federal Charter Planning 24146	Teacher and Principal Training 24154	Reads to Leads 27114	Public Schools Capital Outlay 31200	Total
210	-	-	-	129,629
43,226	-	40,426	-	118,025
-	-	-	-	74,799
33,000	-	-	-	33,000
<u>76,436</u>	<u>-</u>	<u>40,426</u>	<u>-</u>	<u>355,453</u>
318	-	-	-	17,447
-	-	-	-	63,942
-	-	40,426	-	74,799
<u>318</u>	<u>-</u>	<u>40,426</u>	<u>-</u>	<u>156,188</u>
33,000	-	-	-	33,000
43,118	-	-	-	58,468
-	-	-	-	107,797
<u>76,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,265</u>
<u>76,436</u>	<u>-</u>	<u>40,426</u>	<u>-</u>	<u>355,453</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Reconciliation of the Balance Sheets - Government Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 199,265**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	23,261	
Accumulated Depreciation	(7,246)	
		16,015
Net Position-Total Governmental Activities		\$ 215,280

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120
Revenues:				
Local & County Grant	\$ 775	-	-	-
State Grant	1,376,264	362	-	-
Federal Grant	-	-	33,954	419
Total Revenues	<u>1,377,039</u>	<u>362</u>	<u>33,954</u>	<u>419</u>
Expenditures:				
Current:				
Instruction	669,610	7,780	32,179	-
Support Services:				
Students	44,912	-	1,775	419
Instruction	44,677	-	-	-
General Administration	22,534	-	-	-
School Administration	154,022	-	-	-
Central Services	102,504	-	-	-
Operation & Maintenance of Plant	201,568	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,239,827</u>	<u>7,780</u>	<u>33,954</u>	<u>419</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>137,212</u>	<u>(7,418)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>137,212</u>	<u>(7,418)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>(29,415)</u>	<u>22,768</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 107,797</u>	<u>15,350</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Charter Planning 24146	Teacher and Principal Training 24154	Reads to Leads 27114	Public Schools Capital Outlay 31200	Total
-	-	-	-	775
-	-	44,292	104,333	1,525,251
83,820	725	-	-	118,918
83,820	725	44,292	104,333	1,644,944
75,349	725	44,292	-	829,935
2,345	-	-	-	49,451
28	-	-	-	44,705
-	-	-	-	22,534
-	-	-	-	154,022
9,107	-	-	-	111,611
-	-	-	-	201,568
-	-	-	104,333	104,333
86,829	725	44,292	104,333	1,518,159
(3,009)	-	-	-	126,785
(3,009)	-	-	-	126,785
79,127	-	-	-	72,480
76,118	-	-	-	199,265

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 In Fund Balances (Deficit) - Government Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 126,785**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the statement of activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	-		
Depreciation Expense	(4,652)		(4,652)

Change in Net Position-Total Governmental Activities **\$ 122,133**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 12,447</u>
Total Assets	<u><u>\$ 12,447</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 12,447</u>
Total Liabilities	<u><u>\$ 12,447</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 2,910	14,157	4,620	12,447
Total Assets	<u>\$ 2,910</u>	<u>14,157</u>	<u>4,620</u>	<u>12,447</u>
LIABILITIES				
Deposits Held for Others	\$ 2,910	14,157	4,620	12,447
Total Liabilities	<u>\$ 2,910</u>	<u>14,157</u>	<u>4,620</u>	<u>12,447</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Notes To The Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Sage Montessori Charter School’s (SMCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The SMCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The SMCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5 years

Capital assets for the SMCS are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 23,261	-	-	23,261
Less: Accumulated Depreciation	(2,594)	(4,652)	-	(7,246)
Capital Assets, Net	<u>\$ 20,667</u>	<u>(4,652)</u>	-	<u>16,015</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following function:

Operations/Plant Maintenance	<u>\$ 4,652</u>
Total	<u><u>\$ 4,652</u></u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Notes To The Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The SMCS leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$226,088. The SMCS's minimum future payments on this lease are as follows:

Year Ending June 30:	
2015	\$ 233,036
2016	239,984
2017	<u>246,932</u>
Total	<u>\$ 719,952</u>

NOTE 4. RELATED PARTIES

The Business Manager services are performed by the Vigil Group which performs services for multiple state charter schools.

NOTE 5. SUBSEQUENT EVENTS

In December 2014, the SMCS ceased making payments on one of its building leases and subsequently vacated the property. The SMCS paid the November lease payment however the payment was placed into a trust. The lease spanned from August 1, 2012 through June 30, 2017, and provided for annual rents of \$233,036 in fiscal year 2015, \$239,984 in fiscal year 2016, and \$246,932 in fiscal year 2017. In May of 2015, the Property Manager's Attorney sent the SMCS a letter stating all rent payments due from November 1, 2014 through present remain outstanding. As of the date of the letter, May 12, 2015, the SMCS was in default of rent payments in the amount of \$135,938. Additionally, the letter states the SMCS owes the scheduled rent payment on the first of each month pursuant to the terms of the agreement. The SMCS does not intend on paying the amount demanded but intends on retaining council to negotiate a settlement.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	775	775	-
State Grant	1,309,431	1,376,264	1,376,264	-
Total Revenues	<u>1,309,431</u>	<u>1,377,039</u>	<u>1,377,039</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	701,679	757,744	668,583	89,161
Support Services:				
Students	37,500	53,938	46,307	7,631
Instruction	45,573	45,954	41,910	4,044
General Administration	24,500	24,375	22,367	2,008
School Administration	152,731	153,651	144,258	9,393
Central Services	102,000	120,173	109,653	10,520
Operation & Maintenance of Plant	245,448	221,204	203,317	17,887
Total Expenditures	<u>1,309,431</u>	<u>1,377,039</u>	<u>1,236,395</u>	<u>140,644</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>140,644</u>	<u>140,644</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>140,644</u>	<u>140,644</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(29,415)</u>	<u>(29,415)</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>111,229</u>	<u>111,229</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(3,432)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 137,212</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 7,363	7,363	11,801	4,438
Total Revenues	<u>7,363</u>	<u>7,363</u>	<u>11,801</u>	<u>4,438</u>
Expenditures:				
Current:				
Instruction	30,131	18,692	7,780	10,912
Total Expenditures	<u>30,131</u>	<u>18,692</u>	<u>7,780</u>	<u>10,912</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(22,768)</u>	<u>(11,329)</u>	<u>4,021</u>	<u>15,350</u>
Other Financing Sources (Uses):				
Designated Cash	22,768	11,329	-	(11,329)
Total Other Financing Sources (Uses):	<u>22,768</u>	<u>11,329</u>	<u>-</u>	<u>(11,329)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>4,021</u>	<u>4,021</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>11,329</u>	<u>11,329</u>
Cash or Fund Balance - End of Year	<u>\$ -</u>	<u>-</u>	<u>15,350</u>	<u>15,350</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(11,439)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (7,418)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	33,954	-	(33,954)
Total Revenues	<u>-</u>	<u>33,954</u>	<u>-</u>	<u>(33,954)</u>
Expenditures:				
Current:				
Instruction	-	32,179	32,179	-
Support Services:				
Students	-	1,775	1,775	-
Total Expenditures	<u>-</u>	<u>33,954</u>	<u>33,954</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(33,954)	(33,954)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(33,954)</u>	<u>(33,954)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(33,954)</u>	<u>(33,954)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			33,954	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Risk Pool 24120
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	419	-	(419)
Total Revenues	<u>-</u>	<u>419</u>	<u>-</u>	<u>(419)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	419	419	-
Total Expenditures	<u>-</u>	<u>419</u>	<u>419</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(419)	(419)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(419)</u>	<u>(419)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(419)</u>	<u>(419)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			419	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter Planning 24146
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	109,724	161,032	51,308
Total Revenues	<u>-</u>	<u>109,724</u>	<u>161,032</u>	<u>51,308</u>
Expenditures:				
Current:				
Instruction	-	95,384	75,032	20,352
Support Services:				
Students	-	2,345	2,345	-
Instruction	-	2,888	2,888	-
Central Services	-	9,107	9,107	-
Total Expenditures	<u>-</u>	<u>109,724</u>	<u>89,372</u>	<u>20,352</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>71,660</u>	<u>71,660</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>71,660</u>	<u>71,660</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(71,450)</u>	<u>(71,450)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>210</u>	<u>210</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(77,212)	
Adjustments to Expenditures			<u>2,543</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (3,009)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher and Principal Training 24154
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 3,686	7,421	725	(6,696)
Total Revenues	<u>3,686</u>	<u>7,421</u>	<u>725</u>	<u>(6,696)</u>
Expenditures:				
Current:				
Instruction	3,686	7,421	725	6,696
Total Expenditures	<u>3,686</u>	<u>7,421</u>	<u>725</u>	<u>6,696</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash of Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Reads to Leads 27114
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	50,169	3,866	(46,303)
Total Revenues	<u>-</u>	<u>50,169</u>	<u>3,866</u>	<u>(46,303)</u>
Expenditures:				
Current:				
Instruction	-	50,169	44,292	5,877
Total Expenditures	<u>-</u>	<u>50,169</u>	<u>44,292</u>	<u>5,877</u>
Deficiency of Revenues				
Under Expenditures	-	-	(40,426)	(40,426)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(40,426)</u>	<u>(40,426)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash of Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(40,426)</u>	<u>(40,426)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			40,426	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public Schools Capital Outlay 31200
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	104,333	104,333	-
Total Revenues	-	104,333	104,333	-
Expenditures:				
Capital Outlay	-	104,333	104,333	-
Total Expenditures	-	104,333	104,333	-
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Sage Montessori Charter School
 Schedule of Collateral Pledged by Depository
 For Public Funds
 June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	196,443
Less: FDIC Coverage:		<u>(196,443)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance (Over) Under Collateralized:		<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 196,443
<i>Total on Deposit</i>	196,443
Reconciling Items	<u>(54,367)</u>
Reconciled Balance June 30, 2014	<u>142,076</u>
Less: Agency Funds	<u>(12,447)</u>
<i>Total Cash</i>	<u><u>\$ 129,629</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Sage Montessori Charter School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Student Activities Account 23000
	<u>11000</u>	<u>14000</u>	<u>23000</u>
Cash, June 30, 2013	\$ 49,153	22,768	2,910
Add:			
2013-14 Revenues	<u>1,377,039</u>	<u>11,801</u>	<u>14,157</u>
Total Cash Available	1,426,192	34,569	17,067
Less:			
2013-14 Expenditures	(1,236,395)	(7,780)	(4,620)
Receivables/Payables	(929)	-	-
Outstanding Loans	<u>(74,799)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>114,069</u>	<u>26,789</u>	<u>12,447</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	-	(11,439)	-
Cash per Books	<u>114,069</u>	<u>15,350</u>	<u>12,447</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	(6,272)	-	(12,447)
Fund Balance, Modified Accrual Basis	<u>\$ 107,797</u>	<u>15,350</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	State Projects Fund 27000	Public Schools Capital Outlay 31200	Total
(71,125)	-	-	3,706
161,757	3,866	104,333	1,672,953
90,632	3,866	104,333	1,676,659
(124,470)	(44,292)	(104,333)	(1,521,890)
(325)	-	-	(1,254)
34,373	40,426	-	-
210	-	-	153,515
-	-	-	(11,439)
210	-	-	142,076
Less: Activity Funds per Schedule of Changes in Assets and Liabilities- Agency Funds:			(12,447)
Balance Sheets - Governmental Funds:			\$ 129,629
75,908	-	-	57,189
76,118	-	-	199,265

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Net Position
June 30, 2014

ASSETS

Current assets:

Cash	\$	652,280
Receivables		
Due from other governments		56,441
Other		850
Total current assets		<u>709,571</u>

Noncurrent assets:

Capital assets		
Vehicles		215,719
Furniture, fixtures, and equipment		247,807
Less: accumulated depreciation		(249,875)
Total noncurrent assets		<u>213,651</u>

Total Assets

923,222

LIABILITIES

Current liabilities:

Accounts payable		3,715
Current portion of compensated absences		6,110
Total current liabilities		<u>9,825</u>

Noncurrent liabilities:

Compensated absences		18,331
Total noncurrent liabilities		<u>18,331</u>

Total liabilities

28,156

NET POSITION

Investment in capital assets		213,651
Restricted		396,260
Unrestricted		285,155
Total net position	\$	<u>895,066</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,561,137	-	239,038	-	(1,322,099)
Support services:					
Students	369,213	-	-	-	(369,213)
General Administration	130,332	-	-	-	(130,332)
School Administration	234,076	-	-	-	(234,076)
Central Services	58,851	-	-	-	(58,851)
Operation & Maintenance of Plant	644,247	-	-	-	(644,247)
Community Services Operations	8,097	-	-	-	(8,097)
Other support services	3,189	-	-	-	(3,189)
Facilities Materials, Supplies & Other Services	234,514	-	-	477,097	242,583
Total governmental activities	<u>\$ 3,243,656</u>	<u>-</u>	<u>239,038</u>	<u>477,097</u>	<u>(2,527,521)</u>
			General Revenues:		
			State Equalization Guarantee	\$ 2,781,046	
			Miscellaneous	5,655	
			Total general revenues	<u>2,786,701</u>	
			Change in net position	259,180	
			Net position-beginning	580,008	
			Restatement (Note 6)	55,878	
			Net position - beginning, restated	<u>635,886</u>	
			Net position-ending	<u>\$ 895,066</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 440,364	11,838	-	-
Restricted Cash	-	-	-	-
Accounts receivable				
Due from Government	-	-	3,174	7,563
Due from other funds	58,176	-	-	-
Other	-	-	-	-
Total Assets	<u>\$ 498,540</u>	<u>11,838</u>	<u>3,174</u>	<u>7,563</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts payable	\$ 3,715	-	-	-
Due to other funds	-	-	4,754	7,563
Total Liabilities	<u>3,715</u>	<u>-</u>	<u>4,754</u>	<u>7,563</u>
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	237,878	11,838	-	-
Capital improvements	-	-	-	-
Assigned to:				
Subsequent years expenditures and other programs	256,947	-	-	-
Unassigned	-	-	(1,580)	-
Total Fund Balance (Deficit)	<u>494,825</u>	<u>11,838</u>	<u>(1,580)</u>	<u>-</u>
Total Liabilities and Fund Balance (deficit)	<u>\$ 498,540</u>	<u>11,838</u>	<u>3,174</u>	<u>7,563</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title XIX Medicaid 25153	Dual Credit 27103	2010 GO Bonds 27106	2013 Robotics 27116	Public Schools Capital Outlay 31200
-	-	8,879	-	-	-	-
-	-	-	-	-	-	-
-	4,855	-	285	-	40,564	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>4,855</u>	<u>8,879</u>	<u>285</u>	<u>-</u>	<u>40,564</u>	<u>-</u>
-	-	-	-	-	-	-
155	4,855	-	285	-	40,564	-
<u>155</u>	<u>4,855</u>	<u>-</u>	<u>285</u>	<u>-</u>	<u>40,564</u>	<u>-</u>
-	-	8,879	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(155)	-	-	-	-	-	-
<u>(155)</u>	<u>-</u>	<u>8,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	4,855	8,879	285	-	40,564	-
<u>-</u>	<u>4,855</u>	<u>8,879</u>	<u>285</u>	<u>-</u>	<u>40,564</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Special Capital Outlay 31400	HB 33 Capital Outlay 31600	SB 9 Capital Improvements 31700	Foundation	Total Government
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 7,199	114,040	40,867	19,093	642,280
Restricted Cash	-	-	-	10,000	10,000
Accounts receivable					
Due from Government	-	-	-	-	56,441
Due from other funds	-	-	-	-	58,176
Other	-	-	-	850	850
Total Assets	<u>\$ 7,199</u>	<u>114,040</u>	<u>40,867</u>	<u>29,943</u>	<u>767,747</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts payable	\$ -	-	-	-	3,715
Due to other funds	-	-	-	-	58,176
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,891</u>
Fund Balances (Deficit)					
Fund Balance (Deficit):					
Restricted for:					
Instruction	-	-	-	-	258,595
Capital improvements	7,199	114,040	40,867	-	162,106
Assigned to:					
Subsequent years expenditures and other programs	-	-	-	-	256,947
Unassigned	-	-	-	29,943	28,208
Total Fund Balance (Deficit)	<u>7,199</u>	<u>114,040</u>	<u>40,867</u>	<u>29,943</u>	<u>705,856</u>
Total Liabilities and Fund Balance (deficit)	<u>\$ 7,199</u>	<u>114,040</u>	<u>40,867</u>	<u>29,943</u>	<u>767,747</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 School of Dreams Academy
 Reconciliation of the Balance Sheet Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund balances - total governmental funds		\$ 705,856
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Capital assets	463,526	
Accumulated depreciation	<u>(249,875)</u>	213,651
<p>Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.</p>		
Compensated absences	<u>(24,441)</u>	<u>(24,441)</u>
Net Position-total Governmental Activities		\$ <u>895,066</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	5,655	-	-	-
State grant	2,781,046	23,691	-	-
Federal grant	-	-	37,456	45,608
Total Revenues	<u>2,786,701</u>	<u>23,691</u>	<u>37,456</u>	<u>45,608</u>
Expenditures:				
Current:				
Instruction	1,399,712	35,404	16,862	-
Support Services:				
Students	294,477	-	22,174	45,608
General Administration	72,424	-	-	-
School Administration	216,865	-	-	-
Central Services	57,484	-	-	-
Operation & Maintenance of Plant	641,189	-	-	-
Other Support Services Operations	3,189	-	-	-
Community Services	8,097	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,693,437</u>	<u>35,404</u>	<u>39,036</u>	<u>45,608</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>93,264</u>	<u>(11,713)</u>	<u>(1,580)</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>93,264</u>	<u>(11,713)</u>	<u>(1,580)</u>	<u>-</u>
Fund balances (Deficit) - beginning of year	401,561	23,551	-	-
Restatement (Note 6)	-	-	-	-
Fund balances (Deficit) - restated	<u>401,561</u>	<u>23,551</u>	<u>-</u>	<u>-</u>
Fund balances (Deficit) - end of year	<u>\$ 494,825</u>	<u>11,838</u>	<u>(1,580)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher Principal Training 24154	Title XIX Medicaid 25153	Dual Credit 27103	2010 GO Bonds 27106	2013 Robotics 27116	Public Schools Capital Outlay 31200
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6,199	285	175	40,564	224,945
519	7,330	2,282	-	-	-	-
519	7,330	8,481	285	175	40,564	224,945
-	2,140	-	285	-	40,564	-
674	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,190	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	224,945
674	7,330	-	285	-	40,564	224,945
(155)	-	8,481	-	175	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(155)	-	8,481	-	175	-	-
-	-	398	-	(175)	-	-
-	-	-	-	-	-	-
-	-	398	-	(175)	-	-
(155)	-	8,879	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds (continued)
For The Year Ended June 30, 2014

	Special Capital Outlay 31400	HB 33 Capital Outlay 31600	SB 9 Capital Improvements 31700	Foundation	Total
Revenues:					
Property Taxes	\$ -	60,230	67,589	-	127,819
Local & County Grant	-	-	-	74,929	80,584
State grant	107,199	17,134	-	-	3,201,238
Federal grant	-	-	-	-	93,195
Total Revenues	<u>107,199</u>	<u>77,364</u>	<u>67,589</u>	<u>74,929</u>	<u>3,502,836</u>
Expenditures:					
Current:					
Instruction	-	-	-	-	1,494,967
Support Services:					
Students	-	-	-	6,280	369,213
General Administration	-	-	-	57,908	130,332
School Administration	-	-	-	-	222,055
Central Services	-	-	-	-	57,484
Operation & Maintenance of Plant	-	-	-	-	641,189
Other Support Services Operations	-	-	-	-	3,189
Community Services	-	-	-	-	8,097
Capital outlay	100,000	-	26,722	-	351,667
Total expenditures	<u>100,000</u>	<u>-</u>	<u>26,722</u>	<u>64,188</u>	<u>3,278,193</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>7,199</u>	<u>77,364</u>	<u>40,867</u>	<u>10,741</u>	<u>224,643</u>
Other financing sources (uses):					
Operating transfers	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>7,199</u>	<u>77,364</u>	<u>40,867</u>	<u>10,741</u>	<u>224,643</u>
Fund balances (Deficit) - beginning of year	-	-	-	-	425,335
Restatement (Note 6)	-	36,676	-	19,202	55,878
Fund balances (Deficit) - restated	<u>-</u>	<u>36,676</u>	<u>-</u>	<u>19,202</u>	<u>481,213</u>
Fund balances (Deficit) - end of year	<u>\$ 7,199</u>	<u>114,040</u>	<u>40,867</u>	<u>29,943</u>	<u>705,856</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net change in fund balances-total governmental funds **\$ 224,643**

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

Change in compensated absences (24,441)

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	124,827	
Depreciation expense	(65,849)	
	58,978	58,978

Change in Net Position-total Governmental Activities **\$ 259,180**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in bank	\$ 21,760
Total Assets	<u>\$ 21,760</u>
LIABILITIES	
Deposits held for others	\$ 21,760
Total Liabilities	<u>\$ 21,760</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash in bank	\$ 13,087	38,856	30,183	21,760
Total assets	<u>\$ 13,087</u>	<u>38,856</u>	<u>30,183</u>	<u>21,760</u>
LIABILITIES				
Deposits held for others	\$ 13,087	38,856	30,183	21,760
Total liabilities	<u>\$ 13,087</u>	<u>38,856</u>	<u>30,183</u>	<u>21,760</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The School of Dreams Academy (SODA) defines capital assets as assets with an initial, individual cost of more than \$5,000 and an initial useful life extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Furniture, fixtures and equipment	5-10 years
Vehicles	8 years

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 247,807	-	-	247,807
Vehicles	90,892	124,827	-	215,719
<i>Total</i>	<u>338,699</u>	<u>124,827</u>	<u>-</u>	<u>463,526</u>
<i>Less: Accumulated Depreciation</i>	<u>(184,026)</u>	<u>(65,849)</u>	<u>-</u>	<u>(249,875)</u>
Capital assets, net	<u>\$ 154,673</u>	<u>58,978</u>	<u>-</u>	<u>213,651</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 41,729
School Administration	12,021
Central Services	1,367
Operation & Maintenance of Plant	3,058
Capital Outlay	7,674
Total	<u>\$ 65,849</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 School of Dreams Academy
 Notes to the Financial Statements
 June 30, 2014

NOTE 3. COMMITMENTS AND LIABILITIES

SODA leased buildings and equipment under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$524,031. SODA's minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 530,820
2016	227,486
2017	7,056
2018	2,912
2019	70
Total minimum lease payments	\$ <u>768,344</u>

NOTE 4. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

Title I IASA 24101	\$ (1,580)
IDEA-B Risk Pool 24120	\$ (155)

SODA is addressing the negative fund balances and is planning on taking the appropriate actions to eliminate the negative balances.

NOTE 5. RELATED PARTIES

During the fiscal year, the Business Manager also provided services for Las Montana's Charter High School, a Las Cruces Charter School.

NOTE 6. PRIOR PERIOD ADJUSTMENT

Statement of Activities. Net position at June 30, 2013 was restated in the amount of \$36,676. This restatement was due to the incorrect classification of HB 33 property tax revenue as deferred revenue, instead of restricted cash in the prior year. Net position at June 30, 2013 was also restated for the Foundation in the amount of \$19,202. This restatement was due to the Foundation's exclusion from the prior year financial statements, when the Foundation had activity in the prior year.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	5,655	5,655
State grant	2,610,242	2,781,046	2,781,046	-
Total Revenues	<u>2,610,242</u>	<u>2,781,046</u>	<u>2,786,701</u>	<u>5,655</u>
Expenditures:				
Current:				
Instruction	1,421,067	1,497,871	1,412,454	85,417
Support Services:				
Students	324,717	326,757	294,477	32,280
Instruction	-	448	-	448
General Administration	88,800	97,034	72,424	24,610
School Administration	252,287	257,324	216,865	40,459
Central Services	57,500	57,500	57,484	16
Operation & Maintenance of Plant	623,439	691,680	641,189	50,491
Other Support Services Operations	2,000	7,000	3,189	3,811
Community Services	5,200	10,200	8,097	2,103
Total expenditures	<u>2,775,010</u>	<u>2,945,814</u>	<u>2,706,179</u>	<u>239,635</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(164,768)</u>	<u>(164,768)</u>	<u>80,522</u>	<u>245,290</u>
Other financing sources (uses):				
Designated Cash	164,768	164,768	-	(164,768)
Total other financing sources (uses):	<u>164,768</u>	<u>164,768</u>	<u>-</u>	<u>(164,768)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>80,522</u>	<u>80,522</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>418,017</u>	<u>418,017</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>498,539</u>	<u>498,539</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures			\$ -	
Adjustments to revenues			12,742	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 93,264</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 17,430	30,318	30,318	-
Total Revenues	<u>17,430</u>	<u>30,318</u>	<u>30,318</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	22,516	35,404	35,404	-
Total expenditures	<u>22,516</u>	<u>35,404</u>	<u>35,404</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,086)</u>	<u>(5,086)</u>	<u>(5,086)</u>	<u>-</u>
Other financing sources (uses):				
Designated Cash	5,086	5,086	-	(5,086)
Total other financing sources (uses):	<u>5,086</u>	<u>5,086</u>	<u>-</u>	<u>(5,086)</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(5,086)</u>	<u>(5,086)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>16,924</u>	<u>16,924</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>11,838</u>	<u>11,838</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ (6,627)	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (11,713)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 43,396	95,077	47,253	(47,824)
Total Revenues	<u>43,396</u>	<u>95,077</u>	<u>47,253</u>	<u>(47,824)</u>
Expenditures:				
Current:				
Instruction	23,396	65,077	19,262	45,815
Support Services:				
Students	20,000	30,000	22,174	7,826
Total expenditures	<u>43,396</u>	<u>95,077</u>	<u>41,436</u>	<u>53,641</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>5,817</u>	<u>5,817</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>5,817</u>	<u>5,817</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(10,571)</u>	<u>(10,571)</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(4,754)</u>	<u>(4,754)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ (9,797)	
Adjustments to expenditures			<u>2,400</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,580)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	85,429	38,850	(46,579)
Total Revenues	<u>-</u>	<u>85,429</u>	<u>38,850</u>	<u>(46,579)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	85,429	45,608	39,821
Total expenditures	<u>-</u>	<u>85,429</u>	<u>45,608</u>	<u>39,821</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(6,758)</u>	<u>(6,758)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(6,758)</u>	<u>(6,758)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(805)</u>	<u>(805)</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(7,563)</u>	<u>(7,563)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures			\$ 6,758	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	687	936	249
Total Revenues	<u>-</u>	<u>687</u>	<u>936</u>	<u>249</u>
Expenditures:				
Current:				
Support Services:				
Students	-	687	674	13
Total expenditures	<u>-</u>	<u>687</u>	<u>674</u>	<u>13</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>262</u>	<u>262</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>262</u>	<u>262</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>(417)</u>	<u>(417)</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(155)</u>	<u>(155)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ (417)	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (155)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ 8,569	21,473	2,475	(18,998)
Total Revenues	<u>8,569</u>	<u>21,473</u>	<u>2,475</u>	<u>(18,998)</u>
Expenditures:				
Current:				
Instruction	4,069	10,069	2,140	7,929
Support Services:				
School Administration	4,500	11,404	5,190	6,214
Total expenditures	<u>8,569</u>	<u>21,473</u>	<u>7,330</u>	<u>14,143</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,855)</u>	<u>(4,855)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(4,855)</u>	<u>(4,855)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(4,855)</u>	<u>(4,855)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures			\$ 4,855	
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title XIX Medicaid 25153
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	8,000	6,199	(1,801)
Federal grant	-	-	2,282	2,282
Total Revenues	<u>-</u>	<u>8,000</u>	<u>8,481</u>	<u>481</u>
Expenditures:				
Current:				
Support Services:				
Students	-	8,000	-	8,000
Total expenditures	<u>-</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>8,481</u>	<u>8,481</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>8,481</u>	<u>8,481</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>398</u>	<u>398</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>8,879</u>	<u>8,879</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 8,481</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit 27103
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	1,002	-	(1,002)
Total Revenues	<u>-</u>	<u>1,002</u>	<u>-</u>	<u>(1,002)</u>
Expenditures:				
Current:				
Instruction	-	1,002	285	717
Total expenditures	<u>-</u>	<u>1,002</u>	<u>285</u>	<u>717</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(285)</u>	<u>(285)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(285)</u>	<u>(285)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(285)</u>	<u>(285)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ 285	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GO Bonds 27106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	175	-	(175)
Total Revenues	<u>-</u>	<u>175</u>	<u>-</u>	<u>(175)</u>
Expenditures:				
Current:				
Instruction	-	175	-	175
Total expenditures	<u>-</u>	<u>175</u>	<u>-</u>	<u>175</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures			\$ 175	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 175</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
2013 Robotics 27116
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	40,850	-	(40,850)
Total Revenues	<u>-</u>	<u>40,850</u>	<u>-</u>	<u>(40,850)</u>
Expenditures:				
Current:				
Instruction	-	40,850	40,564	286
Total expenditures	<u>-</u>	<u>40,850</u>	<u>40,564</u>	<u>286</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(40,564)</u>	<u>(40,564)</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>(40,564)</u>	<u>(40,564)</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>(40,564)</u>	<u>(40,564)</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures			\$ 40,564	
Adjustments to revenues			-	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 School of Dreams Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public Schools Capital Outlay 31200
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	224,945	224,945	-
Total Revenues	<u>-</u>	<u>224,945</u>	<u>224,945</u>	<u>-</u>
Expenditures:				
Current:				
Capital outlay	-	224,945	224,945	-
Total expenditures	<u>-</u>	<u>224,945</u>	<u>224,945</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay 31400
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ 100,000	100,000	107,199	7,199
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>107,199</u>	<u>7,199</u>
Expenditures:				
Current:				
Capital outlay	100,000	100,000	100,000	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>7,199</u>	<u>7,199</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>7,199</u>	<u>7,199</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>7,199</u>	<u>7,199</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 7,199</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Outlay 31600
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	85,419	60,230	(25,189)
State grant	-	-	17,134	17,134
Total Revenues	<u>-</u>	<u>85,419</u>	<u>77,364</u>	<u>(8,055)</u>
Expenditures:				
Current:				
Capital outlay	-	85,419	-	85,419
Total expenditures	<u>-</u>	<u>85,419</u>	<u>-</u>	<u>85,419</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>77,364</u>	<u>77,364</u>
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>77,364</u>	<u>77,364</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>36,676</u>	<u>36,676</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>114,040</u>	<u>114,040</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 77,364</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB 9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	56,943	67,589	10,646
State grant	26,727	61,560	-	(61,560)
Total Revenues	<u>26,727</u>	<u>118,503</u>	<u>67,589</u>	<u>(50,914)</u>
Expenditures:				
Current:				
Capital outlay	26,727	118,503	26,722	91,781
Total expenditures	<u>26,727</u>	<u>118,503</u>	<u>26,722</u>	<u>91,781</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	-	-	40,867	40,867
Other financing sources (uses):				
Operating transfers	-	-	-	-
Designated Cash	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	<u>-</u>	<u>-</u>	<u>40,867</u>	<u>40,867</u>
Cash or fund balances - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or fund balances - end of year	<u>\$ -</u>	<u>-</u>	<u>40,867</u>	<u>40,867</u>
Reconciliation to GAAP Basis:				
Excess revenues over (under) expenditures				
Adjustments to revenues			\$ -	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 40,867</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo	FNMA	3138W9A34	7/1/2043	\$ 312,538
Wells Fargo	FNMA	3138X3XU1	9/1/2043	20,347
				<u>\$ 332,885</u>
Total cash in bank per Schedule of Cash Accounts:				\$ 771,805
Less: FDIC coverage:				<u>(271,778)</u>
Uninsured public funds:				500,027
Collateral requirement:				250,014
Pledged collateral held by pledging financial institution:				<u>332,885</u>
Balance over-collateralized:				<u>\$ 82,872</u>
Balance uninsured and uncollateralized at June 30, 2014:				<u>\$ 167,142</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Schedule of Cash Accounts
June 30, 2014

Bank Account Type	Wells Fargo	US Bank	Total
Checking - Operational Account	\$ 750,027	-	750,027
Checking - Foundation	-	21,778	21,778
Total on Deposit	750,027	21,778	771,805
Reconciling Items	(105,080)	(2,685)	(107,765)
Reconciled Balance June 30, 2014	644,947	19,093	664,040
Less Agency Funds	(21,760)	-	(21,760)
Total Cash	<u>\$ 623,187</u>	<u>19,093</u>	<u>642,280</u>
Deposits Held in Escrow - Restricted Cash			<u>10,000</u>
Total Cash			<u>\$ 652,280</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
School of Dreams Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Federal Flowthrough 24000	Federal Direct 25000
Cash, June 30, 2013	\$ 418,017	16,924	(11,792)	398
Add:				
2013-14 revenues	<u>2,786,701</u>	<u>30,318</u>	<u>89,514</u>	<u>8,481</u>
Total cash available	3,204,718	47,242	77,722	8,879
Less:				
2013-14 expenditures	(2,706,179)	(35,404)	(95,048)	-
Receivables/Payables	-	-	-	-
Outstanding Loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>498,539</u>	<u>11,838</u>	<u>(17,326)</u>	<u>8,879</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit reclassifications to cash	(58,175)	-	17,326	-
Cash per Books	<u>440,364</u>	<u>11,838</u>	<u>-</u>	<u>8,879</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	54,461	-	(1,735)	-
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 494,825</u>	<u>11,838</u>	<u>(1,735)</u>	<u>8,879</u>

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

The accompanying notes are an integral part of these financial statements

State Flowthrough 27000	Public School Capital Outlay 31200	Special Capital Outlay-State 31400	Capital Improv. HB 33 31600	Capital Improv. SB 9 31700	Total
-	-	-	36,676	-	460,223
-	224,945	107,199	77,364	67,589	3,392,111
-	224,945	107,199	114,040	67,589	3,852,334
(40,849)	(224,945)	(100,000)	-	(26,722)	(3,229,147)
-	-	-	-	-	-
-	-	-	-	-	-
(40,849)	-	7,199	114,040	40,867	623,187
40,849	-	-	-	-	-
-	-	7,199	114,040	40,867	623,187
				Foundation*:	29,093
				Total cash per books:	\$ 652,280
-	-	-	-	-	52,726
-	-	7,199	114,040	40,867	675,913
				Foundation*:	29,943
				Total Fund Balance (Deficit), Modified Accrual Basis:	\$ 705,856

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME IX



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 South Valley Preparatory School
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets:

Cash	\$ 210,087
Receivables	
Due From Other Governments	59,481
Deposits	25,125
Total Current Assets	<u>294,693</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	6,344
Less: Accumulated Depreciation	(5,287)
Total Noncurrent Assets	<u>1,057</u>
Total Assets	<u>295,750</u>

LIABILITIES

Current Liabilities:

Accounts Payable	3,998
Accrued Liabilities	85,537
Total Current Liabilities	<u>89,535</u>
Total Liabilities	<u>89,535</u>

NET POSITION

Investment in Capital Assets	1,057
Restricted	86,678
Unrestricted	118,480
Total Net Position	<u>\$ 206,215</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 764,651	-	138,075	-	(626,576)
Support services:					
Students	64,335	-	-	-	(64,335)
Instruction	6,647	-	-	-	(6,647)
General Administration	19,442	-	-	-	(19,442)
School Administration	165,379	-	-	-	(165,379)
Central Services	135,347	-	-	-	(135,347)
Operation & Maintenance of Plant	73,614	-	-	-	(73,614)
Food Services	76,448	5,048	72,865	-	1,465
Facilities Materials, Supplies & Other Services	90,779	-	-	91,363	584
Total Governmental Activities	\$ 1,396,642	5,048	210,940	91,363	(1,089,291)
General Revenues:					
State Equalization Guarantee					\$ 1,064,330
Property Taxes					41,513
Total General Revenues					<u>1,105,843</u>
Change in Net Position					16,552
Net Position, Beginning					<u>189,663</u>
Net Position, Ending					<u>\$ 206,215</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Assets					
Cash and Cash Equivalents	\$ 149,122	12,336	7,116	-	-
Accounts receivable					
Due from Government	-	-	-	34,631	1,434
Due from Other Funds	59,961	-	-	-	-
Deposits	-	-	-	-	-
Total Assets	\$ 209,083	12,336	7,116	34,631	1,434
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 2,428	-	-	-	-
Accrued Expenditures	85,499	-	-	38	-
Due to Other Funds	-	-	-	34,589	1,434
Total Liabilities	87,927	-	-	34,627	1,434
Fund Balances(Deficit)					
Fund Balance (Deficit):					
Non Spendable:					
Deposits	-	-	-	-	-
Restricted for:					
Instruction	-	12,336	-	4	-
Food Service Operations	-	-	7,116	-	-
Capital Improvements	-	-	-	-	-
Unassigned (Deficit)	121,156	-	-	-	-
Total Fund Balance (Deficit)	121,156	12,336	7,116	4	-
Total Liabilities and Fund Balance (Deficit)	\$ 209,083	12,336	7,116	34,631	1,434

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	English Language Acquisition 24153	Teacher Principal Training 24154	2010 GOB Instructional Materials 27171	Next Generation Assessments 27185
-	-	-	-	-	-
-	-	-	575	-	-
-	-	-	-	-	-
-	25,125	-	-	-	-
-	25,125	-	575	-	-
-	-	-	1,570	-	-
-	-	-	-	-	-
310	-	575	796	-	-
310	-	575	2,366	-	-
-	25,125	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(310)	-	(575)	(1,791)	-	-
(310)	25,125	(575)	(1,791)	-	-
-	25,125	-	575	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
SOUTH VALLEY PREPARATORY SCHOOL
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
Assets			
Cash and Cash Equivalents	\$ -	41,513	210,087
Accounts receivable			
Due from Government	22,841	-	59,481
Due from Other Funds	-	-	59,961
Deposits	-	-	25,125
Total Assets	\$ 22,841	41,513	354,654
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	-	3,998
Accrued Expenditures	-	-	85,537
Due to Other Funds	22,257	-	59,961
Total Liabilities	22,257	-	149,496
Fund Balances(Deficit)			
Fund Balance (Deficit):			
Non Spendable:			
Deposits	-	-	25,125
Restricted for:			
Instruction	-	-	12,340
Food Service Operations	-	-	7,116
Capital Improvements	584	41,513	42,097
Unassigned (Deficit)	-	-	118,480
Total Fund Balance (Deficit)	584	41,513	205,158
Total Liabilities and Fund Balance (Deficit)	\$ 22,841	41,513	354,654

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Reconciliation of the Balance Sheet - Governmental Funds
to Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 205,158**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	6,344	
Accumulated Depreciation	(5,287)	
	1,057	

Net Position-Total Governmental Activities **\$ 206,215**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Property Taxes	\$ -	-	-	-	-
Local & County Grant	86	-	-	-	-
State Grant	1,064,330	17,780	-	-	-
Federal Grant	-	-	72,865	88,327	26,465
Charges for Services	5	-	5,043	-	-
Total Revenues	<u>1,064,421</u>	<u>17,780</u>	<u>77,908</u>	<u>88,327</u>	<u>26,465</u>
Expenditures:					
Current:					
Instruction	632,411	11,090	-	88,323	26,465
Support Services:					
Students	64,335	-	-	-	-
Instruction	4,916	-	-	-	-
General Administration	19,442	-	-	-	-
School Administration	164,110	-	-	-	-
Central Services	135,347	-	-	-	-
Operation & Maintenance of Plant	73,614	-	-	-	-
Food Services Operations	3,807	-	72,641	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,097,982</u>	<u>11,090</u>	<u>72,641</u>	<u>88,323</u>	<u>26,465</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(33,561)</u>	<u>6,690</u>	<u>5,267</u>	<u>4</u>	<u>-</u>
Net Changes in Fund Balances	<u>(33,561)</u>	<u>6,690</u>	<u>5,267</u>	<u>4</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>154,717</u>	<u>5,646</u>	<u>1,849</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 121,156</u>	<u>12,336</u>	<u>7,116</u>	<u>4</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	English Language Acquisition 24153	Teacher Principal Training 24154	2010 GOB Instructional Materials 27171	Next Generation Assessments 27185
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,536	1,731
-	-	-	1,150	-	-
-	-	-	-	-	-
-	-	-	1,150	2,536	1,731
310	-	575	2,941	2,536	-
-	-	-	-	-	-
-	-	-	-	-	1,731
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
310	-	575	2,941	2,536	1,731
(310)	-	(575)	(1,791)	-	-
(310)	-	(575)	(1,791)	-	-
-	25,125	-	-	-	-
(310)	25,125	(575)	(1,791)	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
Revenues:			
Property Taxes	\$ -	41,513	41,513
Local & County Grant	-	-	86
State Grant	91,363	-	1,177,740
Federal Grant	-	-	188,807
Charges for Services	-	-	5,048
Total Revenues	91,363	41,513	1,413,194
Expenditures:			
Current:			
Instruction	-	-	764,651
Support Services:			
Students	-	-	64,335
Instruction	-	-	6,647
General Administration	-	-	19,442
School Administration	-	-	164,110
Central Services	-	-	135,347
Operation & Maintenance of Plant	-	-	73,614
Food Services Operations	-	-	76,448
Capital Outlay	90,779	-	90,779
Total Expenditures	90,779	-	1,395,373
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	584	41,513	17,821
Net Changes in Fund Balances	584	41,513	17,821
Fund Balances - Beginning of Year	-	-	187,337
Fund Balances - End of Year	\$ 584	41,513	205,158

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014

Net Change In Fund Balances-Total Governmental Funds	\$	17,821
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Capital Outlays	-		
Depreciation expense	(1,269)		(1,269)

Change In Net Position-Total Governmental Activities	\$	<u>16,552</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 South Valley Preparatory School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 9,734
Total Assets	<u>\$ 9,734</u>
LIABILITIES	
Deposits Held for Others	\$ 9,734
Total Liabilities	<u>\$ 9,734</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Changes in Assets and Liabilities - Agency Funds
For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 4,733	46,299	41,298	9,734
Total Assets	<u>\$ 4,733</u>	<u>46,299</u>	<u>41,298</u>	<u>9,734</u>
LIABILITIES				
Deposits Held for Others	\$ 4,733	46,299	41,298	9,734
Total Liabilities	<u>\$ 4,733</u>	<u>46,299</u>	<u>41,298</u>	<u>9,734</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The South Valley Preparatory School (SVPS) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The SVPS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The SVPS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment 5 years

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>June 30, 2013</u>			<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 6,344	-	-	6,344
<i>Total</i>	<u>\$ 6,344</u>	<u>-</u>	<u>-</u>	<u>6,344</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, fixtures and equipment	(4,018)	(1,269)	-	(5,287)
<i>Total</i>	<u>(4,018)</u>	<u>(1,269)</u>	<u>-</u>	<u>(5,287)</u>
Net Fixed Assets	<u>\$ 2,326</u>	<u>(1,269)</u>	<u>-</u>	<u>1,057</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

School Administration \$ 1,269

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Notes to the Financial Statements
June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

Leases

The SVPS leased various facilities under short-term cancelable operating leases. Expenses for the year ended June 30, 2014 were \$92,416.

Operating lease payments as of June 30, 2014 are as follows:

Year Ending June 30:	
2015	\$ 95,416
Total operating lease payments	<u>\$ 95,416</u>

NOTE 4. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

IDEA-B Risk Pool 24120	\$ (310)
English Language Acquisition 24153	\$ (575)
Teacher Principal Training 24154	\$ (1,791)

The SVPS is addressing the negative fund balances and is planning to take the appropriate actions to eliminate the negative fund balances.

NOTE 5. RELATED PARTIES

The business manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	38	38
State Grant	1,050,765	1,064,330	1,064,330	-
Charges for Services	-	-	5	5
Total Revenues	<u>1,050,765</u>	<u>1,064,330</u>	<u>1,064,373</u>	<u>43</u>
Expenditures:				
Current:				
Instruction	610,277	650,891	632,409	18,482
Support Services:				
Students	68,657	69,704	64,335	5,369
Instruction	9,750	6,866	4,916	1,950
General Administration	18,000	20,065	19,442	623
School Administration	165,667	168,980	164,035	4,945
Central Services	138,314	140,822	134,747	6,075
Operation & Maintenance of Plant	71,533	87,754	73,614	14,140
Food Services Operations	10,000	7,169	3,807	3,362
Total Expenditures	<u>1,092,198</u>	<u>1,152,251</u>	<u>1,097,305</u>	<u>54,946</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(41,433)</u>	<u>(87,921)</u>	<u>(32,932)</u>	<u>54,989</u>
Other Financing Sources (Uses):				
Designated Cash	41,433	87,921	-	(87,921)
Total Other Financing Sources (Uses):	<u>41,433</u>	<u>87,921</u>	<u>-</u>	<u>(87,921)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(32,932)</u>	<u>(32,932)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>154,717</u>	<u>154,717</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>121,785</u>	<u>121,785</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			48	
Adjustments to Expenditures			(677)	
NET CHANGE IN FUND BALANCE			<u>\$ (33,561)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 7,860	9,132	12,243	3,111
Total Revenues	<u>7,860</u>	<u>9,132</u>	<u>12,243</u>	<u>3,111</u>
Expenditures:				
Current:				
Instruction	19,043	20,315	11,090	9,225
Total Expenditures	<u>19,043</u>	<u>20,315</u>	<u>11,090</u>	<u>9,225</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(11,183)</u>	<u>(11,183)</u>	<u>1,153</u>	<u>12,336</u>
Other Financing Sources (Uses):				
Designated Cash	11,183	11,183	-	(11,183)
Total Other Financing Sources (Uses):	<u>11,183</u>	<u>11,183</u>	<u>-</u>	<u>(11,183)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,153</u>	<u>1,153</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,646</u>	<u>5,646</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>6,799</u>	<u>6,799</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>5,537</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 6,690</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 63,000	72,865	72,865	-
Charges for Services	10,000	5,043	5,043	-
Total Revenues	<u>73,000</u>	<u>77,908</u>	<u>77,908</u>	<u>-</u>
Expenditures:				
Current:				
Food Services Operations	73,000	79,757	72,640	7,117
Total Expenditures	<u>73,000</u>	<u>79,757</u>	<u>72,640</u>	<u>7,117</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,849)</u>	<u>5,268</u>	<u>7,117</u>
Other Financing Sources (Uses):				
Designated Cash	-	1,849	-	(1,849)
Total Other Financing Sources (Uses):	<u>-</u>	<u>1,849</u>	<u>-</u>	<u>(1,849)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>5,268</u>	<u>5,268</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,849</u>	<u>1,849</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,117</u>	<u>7,117</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 5,267</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 53,696	88,327	68,435	(19,892)
Total Revenues	<u>53,696</u>	<u>88,327</u>	<u>68,435</u>	<u>(19,892)</u>
Expenditures:				
Current:				
Instruction	53,696	88,327	88,323	4
Total Expenditures	<u>53,696</u>	<u>88,327</u>	<u>88,323</u>	<u>4</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(19,888)</u>	<u>(19,888)</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>(19,888)</u>	 <u>(19,888)</u>
 Cash or Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Cash or Fund Balances - End of Year	 <u>\$ -</u>	 <u>-</u>	 <u>(19,888)</u>	 <u>(19,888)</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>19,892</u>	
 NET CHANGE IN FUND BALANCE			 <u>\$ 4</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	26,465	54,068	27,603
Total Revenues	<u>-</u>	<u>26,465</u>	<u>54,068</u>	<u>27,603</u>
Expenditures:				
Current:				
Instruction	-	26,465	26,465	-
Total Expenditures	<u>-</u>	<u>26,465</u>	<u>26,465</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>27,603</u>	<u>27,603</u>
 Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>27,603</u>	<u>27,603</u>
 Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>27,603</u>	<u>27,603</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(27,603)</u>	
 NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	310	-	(310)
Total Revenues	<u>-</u>	<u>310</u>	<u>-</u>	<u>(310)</u>
Expenditures:				
Current:				
Instruction	-	310	310	-
Total Expenditures	<u>-</u>	<u>310</u>	<u>310</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(310)</u>	<u>(310)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(310)</u>	<u>(310)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(310)</u>	<u>(310)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (310)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 South Valley Preparatory School
 Schedule of Budgetary Comparisons - Budgetary Basis
 English Language Acquisition 24153
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	3,050	-	(3,050)
Total Revenues	<u>-</u>	<u>3,050</u>	<u>-</u>	<u>(3,050)</u>
Expenditures:				
Current:				
Instruction	-	3,050	575	2,475
Total Expenditures	<u>-</u>	<u>3,050</u>	<u>575</u>	<u>2,475</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(575)</u>	<u>(575)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(575)</u>	<u>(575)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(575)</u>	<u>(575)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (575)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 South Valley Preparatory School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher Principal Training 24154
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 5,645	13,202	4,875	(8,327)
Total Revenues	<u>5,645</u>	<u>13,202</u>	<u>4,875</u>	<u>(8,327)</u>
Expenditures:				
Current:				
Instruction	5,645	13,202	1,371	11,831
Total Expenditures	<u>5,645</u>	<u>13,202</u>	<u>1,371</u>	<u>11,831</u>
Excess of Revenues Over Expenditures	-	-	3,504	3,504
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,504</u>	<u>3,504</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,504</u>	<u>3,504</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(3,725)	
Adjustments to Expenditures			<u>(1,570)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,791)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
2010 Instructional Materials 27171
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,536	2,536	12,625	10,089
Total Revenues	<u>2,536</u>	<u>2,536</u>	<u>12,625</u>	<u>10,089</u>
Expenditures:				
Current:				
Instruction	2,536	2,536	2,536	-
Total Expenditures	<u>2,536</u>	<u>2,536</u>	<u>2,536</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	10,089	10,089
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>10,089</u>	<u>10,089</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>10,089</u>	<u>10,089</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(10,089)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 South Valley Preparatory School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Next Generation Assessments 27185
 For The Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	1,917	1,731	(186)
Total Revenues	-	1,917	1,731	(186)
Expenditures:				
Current:				
Support Services:				
Instruction	-	1,917	1,731	186
Total Expenditures	-	1,917	1,731	186
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	91,362	89,376	(1,986)
Total Revenues	<u>-</u>	<u>91,362</u>	<u>89,376</u>	<u>(1,986)</u>
Expenditures:				
Capital Outlay	-	91,362	90,779	583
Total Expenditures	<u>-</u>	<u>91,362</u>	<u>90,779</u>	<u>583</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,403)</u>	<u>(1,403)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,403)</u>	<u>(1,403)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,403)</u>	<u>(1,403)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>1,987</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 584</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 43,938	43,938	41,513	(2,425)
State Grant	4,780	4,780	-	(4,780)
Total Revenues	<u>48,718</u>	<u>48,718</u>	<u>41,513</u>	<u>(7,205)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	48,718	48,718	-	48,718
Total Expenditures	<u>48,718</u>	<u>48,718</u>	<u>-</u>	<u>48,718</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>41,513</u>	<u>41,513</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>41,513</u>	<u>41,513</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>41,513</u>	<u>41,513</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 41,513</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Per Schedule of Cash Accounts:	\$	220,221
Less: FDIC Coverage:		<u>(220,221)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance (Over) Under Collateralized:		<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 South Valley Preparatory School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 220,221
<i>Total on Deposit</i>	220,221
Reconciling Items	<u>(400)</u>
<i>Reconciled Balance June 30, 2014</i>	<u>219,821</u>
Less Agency Funds	<u>(9,734)</u>
<i>Total Cash</i>	<u><u>\$ 210,087</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
South Valley Preparatory School
Cash Reconciliation
June 30, 2014

	Operational <u>11000</u>	Instructional Materials <u>14000</u>	Food Services <u>21000</u>	Agency Fund <u>23000</u>
Cash, June 30, 2013	\$ 160,617	5,646	1,849	4,733
Add:				
2013-14 Revenues	<u>1,064,372</u>	<u>12,243</u>	<u>77,908</u>	<u>46,299</u>
Total Cash Available	1,224,989	17,889	79,757	51,032
Less:				
2013-14 Expenditures	(1,097,303)	(11,090)	(72,641)	(41,298)
Receivables/Payables	85,497	-	-	-
Outstanding Loans	<u>(4,100)</u>	<u>5,537</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>209,083</u>	<u>12,336</u>	<u>7,116</u>	<u>9,734</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>(59,961)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>149,122</u>	<u>12,336</u>	<u>7,116</u>	<u>9,734</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(27,966)</u>	<u>-</u>	<u>-</u>	<u>(9,734)</u>
Fund Balance, Modified Accrual Basis	<u>\$ 121,156</u>	<u>12,336</u>	<u>7,116</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough Account 24000	State Flowthrough Account 27000	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	172,845
<u>127,379</u>	<u>14,357</u>	<u>89,376</u>	<u>41,513</u>	<u>1,473,447</u>
127,379	14,357	89,376	41,513	1,646,292
(117,048)	(4,267)	(90,779)	-	(1,434,426)
41	-	-	-	85,538
<u>(48,076)</u>	<u>(10,090)</u>	<u>(20,854)</u>	<u>-</u>	<u>(77,583)</u>
<u>(37,704)</u>	<u>-</u>	<u>(22,257)</u>	<u>41,513</u>	<u>219,821</u>
<u>37,704</u>	<u>-</u>	<u>22,257</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>41,513</u>	<u>219,821</u>
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:				<u>9,734</u>
Balance Sheets - Governmental Funds:				<u>\$ 210,087</u>
<u>22,453</u>	<u>-</u>	<u>584</u>	<u>-</u>	<u>(14,663)</u>
<u>22,453</u>	<u>-</u>	<u>584</u>	<u>41,513</u>	<u>205,158</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Statement of Net Position
June 30, 2014
(unaudited)

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 641,935
Total Current Assets	<u>641,935</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	286,257
Less: Accumulated Depreciation	<u>(78,070)</u>
Total Noncurrent Assets	<u>208,187</u>

Total Assets	<u>850,122</u>
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LIABILITIES

Current Liabilities:

Accrued Liabilities	102
Current Portion of Long-Term Debt	<u>115,020</u>
Total Current Liabilities	<u>115,122</u>

Noncurrent Liabilities:

Long-Term Debt	<u>87,110</u>
Total Noncurrent Liabilities	<u>87,110</u>

Total Liabilities	<u>202,232</u>
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NET POSITION

Net Investment in Capital Assets	6,057
Restricted	198,757
Unrestricted	<u>443,076</u>

Total Net Position	<u>\$ 647,890</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Statement Of Activities
For The Year Ended June 30, 2014
(unaudited)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,195,719	-	243,466	-	(952,253)
Support Services:					
Students	445,498	-	-	-	(445,498)
General Administration	69,322	-	-	-	(69,322)
School Administration	43,088	-	-	-	(43,088)
Central Services	87,153	-	-	-	(87,153)
Operation & Maintenance of Plant	193,719	-	-	-	(193,719)
Student Transportation	110,994	-	-	-	(110,994)
Facilities Materials, Supplies & Other Services	470,289	-	-	497,279	26,990
Total Governmental Activities	\$ 2,615,782	-	243,466	497,279	(1,875,037)
			General Revenues:		
			State Equalization Guarantee	\$ 1,993,958	
			Total General Revenues	<u>1,993,958</u>	
			Change in Net Position		118,921
			Net position, Beginning		<u>528,969</u>
			Net position, Ending	\$ 647,890	<u><u>647,890</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Balance Sheets - Governmental Funds
June 30, 2014
(unaudited)

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Title I - IASA 24101
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 443,177	101,510	19,756	-
Accounts Receivable				
Due from Other Funds	97,843	-	-	-
Total Assets	\$ 541,020	101,510	19,756	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenses	\$ 92	-	-	4
Due to Other Funds	-	-	-	19,560
Total Liabilities	92	-	-	19,564
<i>Fund Balances</i>				
Fund Balance:				
Restricted to:				
Student Transportation	-	101,510	-	-
Instruction	-	-	19,756	-
Capital Improvement	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	540,928	-	-	-
Unassigned (Deficit)	-	-	-	(19,564)
Total Fund Balances (Deficit)	540,928	101,510	19,756	(19,564)
Total Liabilities and Fund Balance	\$ 541,020	101,510	19,756	-

The accompanying notes are an integral part of these financial statements

Entitlement IDEA-B 24106	IDEA-B Risk Pool 24120	Charter Schools 24146	Teacher/Principal Training & Recruiting 24154	ABC Community School Partnership 26177	TQM in Public Schools PED 27103	GO Bond Library 27107
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6	-	-	-	-	-	-
15,498	292	3,145	-	8,750	96	-
15,504	292	3,145	-	8,750	96	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(15,504)	(292)	(3,145)	-	(8,750)	(96)	-
(15,504)	(292)	(3,145)	-	(8,750)	(96)	-
-	-	-	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Balance Sheets - Governmental Funds (Continued)
June 30, 2014
(unaudited)

	Public School Capital Outlay 31200	Special Capital Outlay-State 31400	SB-9 Capital Improvements 31700	Total
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 1	-	77,491	641,935
Accounts Receivable				
Due from Other Funds	-	-	-	97,843
Total Assets	\$ 1	-	77,491	739,778
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenses	\$ -	-	-	102
Due to Other Funds	50,502	-	-	97,843
Total Liabilities	50,502	-	-	97,945
<i>Fund Balances</i>				
Fund Balance:				
Restricted to:				
Student Transportation	-	-	-	101,510
Instruction	-	-	-	19,756
Capital Improvement	-	-	77,491	77,491
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	540,928
UnAssigned (Deficit)	(50,501)	-	-	(97,852)
Total Fund Balance (Deficit)	(50,501)	-	77,491	641,833
Total Liabilities and Fund Balance	\$ 1	-	77,491	739,778

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
June 30, 2014
(unaudited)

Fund Balances - Total Governmental Funds **\$ 641,833**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	286,257	
Accumulated Depreciation	(78,070)	
	208,187	208,187

Long-Term liabilities are not due and payable in the current period and,
 therefore, are not reported in the funds.

(202,130)

Net Position-Total Governmental Activities **\$ 647,890**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014
(unaudited)

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Title I - IASA 24101
Revenues:				
State Grant	\$ 1,993,958	169,474	22,744	2,299
Federal Grant	-	-	-	13,274
Total Revenues	<u>1,993,958</u>	<u>169,474</u>	<u>22,744</u>	<u>15,573</u>
Expenditures:				
Current:				
Instruction	1,073,755	-	13,935	35,137
Support Services:				
Students	435,784	-	-	-
General Administration	69,322	-	-	-
School Administration	41,088	-	-	-
Central Services	87,153	-	-	-
Operation & Maintenance of Plant	193,719	-	-	-
Student Transportation	-	110,994	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,900,821</u>	<u>110,994</u>	<u>13,935</u>	<u>35,137</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>93,137</u>	<u>58,480</u>	<u>8,809</u>	<u>(19,564)</u>
Net Changes in Fund Balances	<u>93,137</u>	<u>58,480</u>	<u>8,809</u>	<u>(19,564)</u>
Fund Balances - Beginning of Year	<u>447,791</u>	<u>43,030</u>	<u>10,947</u>	<u>-</u>
Fund Balances (Deficit)- End of Year	<u>\$ 540,928</u>	<u>101,510</u>	<u>19,756</u>	<u>(19,564)</u>

The accompanying notes are an integral part of these financial statements

Entitlement IDEA-B 24106	IDEA-B Risk Pool 24120	Charter Schools 24146	Teacher/Principal Training & Recruiting 24154	ABC Community School Partnership 26177	TQM in Public Schools PED 27103	GO Bond Library 27107
5,795	-	-	-	-	539	-
25,622	-	-	3,719	-	-	-
31,417	-	-	3,719	-	539	-
37,207	292	22,289	3,719	8,750	635	-
9,714	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	2,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
46,921	292	24,289	3,719	8,750	635	-
(15,504)	(292)	(24,289)	-	(8,750)	(96)	-
(15,504)	(292)	(24,289)	-	(8,750)	(96)	-
-	-	21,144	-	-	-	-
(15,504)	(292)	(3,145)	-	(8,750)	(96)	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds (Continued)
For The Year Ended June 30, 2014
(unaudited)

	Public School Capital Outlay 31200	Special Capital Outlay- State 31400	SB-9 Capital Improvements 31700	Total
Revenues:				
State Grant	\$ 151,505	268,283	77,491	2,692,088
Federal Grant	-	-	-	42,615
Total Revenues	<u>151,505</u>	<u>268,283</u>	<u>77,491</u>	<u>2,734,703</u>
Expenditures:				
Current:				
Instruction	-	-	-	1,195,719
Support Services:				
Students	-	-	-	445,498
General Administration	-	-	-	69,322
School Administration	-	-	-	43,088
Central Services	-	-	-	87,153
Operation & Maintenance of Plant	-	-	-	193,719
Student Transportation	-	-	-	110,994
Capital Outlay	202,006	268,283	-	470,289
Total Expenditures	<u>202,006</u>	<u>268,283</u>	<u>-</u>	<u>2,615,782</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(50,501)</u>	<u>-</u>	<u>77,491</u>	<u>118,921</u>
Net Changes in Fund Balances	<u>(50,501)</u>	<u>-</u>	<u>77,491</u>	<u>118,921</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>522,912</u>
Fund Balances(Deficit) - End of Year	<u>\$ (50,501)</u>	<u>-</u>	<u>77,491</u>	<u>641,833</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014
(unaudited)

Net Change in Fund Balances-Total Governmental Funds	<u>\$ 118,921</u>
Change in Net Position-Total Governmental Activities	<u><u>\$ 118,921</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics, and Sciences
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014
(unaudited)

NOTE 1. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 286,257	-	-	286,257
<i>Total</i>	<u>286,257</u>	-	-	<u>286,257</u>
<i>Less: Accumulated Depreciation</i>	(78,070)	-	-	(78,070)
Capital Assets, Net	<u>\$ 208,187</u>	-	-	<u>208,187</u>

NOTE 2. COMMITMENTS AND CONTINGENCIES

The Southwest Aeronautics, Mathematics, and Sciences School (SAMSS) leased various facilities and equipment under short-term cancelable operating leases. Minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 391,206
2016	251,217
2017	<u>249,510</u>
Total minimum lease payments	<u>\$ 891,933</u>

During 2013, the SAMSS entered into a capital lease for computer equipment. The SAMSS had a bargain purchase option to purchase the equipment at the end of the lease for \$1.00 or return the products for a disposal fee.

The following is an analysis of the leased property under capital leases by major classes.

Classes of Property	Asset Balances
Equipment	\$ 286,257
Less: Accumulated amortization	<u>(78,070)</u>
	<u>\$ 208,187</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Aeronautics, Mathematics, and Sciences
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014
(unaudited)

NOTE 2. COMMITMENTS AND CONTINGENCIES (CONTINUED)

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of June 30, 2013.

Year Ending June 30:	
2014	\$ 115,020
2015	87,110
Total Minimum Lease Payments (a)	<u>\$ 202,130</u>

(a) reflected on the Statement of Net Position as current and noncurrent obligations under capital leases of \$115,020 and \$87,110, respectively.

NOTE 3. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

24101 Title I-IASA	\$ (19,564)
24106 IDEA-B Entitlement	(15,504)
24120 IDEA-B "Risk Pool"	(292)
24146 Charter Schools	(3,145)
26177 ABC Community School Partnership	(8,750)
27103 TQM in Public Schools PED	(96)
31200 Public School Capital Outlay	\$ (50,501)

NOTE 4. OVERSPENT BUDGET LINE ITEMS

Southwest Aeronautics, Mathematics, and Sciences School had expended in excess of the budget in the following fund:

24126 Charter Schools (Instruction)	\$ 13,411
-------------------------------------	-----------

NOTE 5. RELATED PARTY TRANSACTIONS

The SAMS entered into a contract beginning July 1, 2012 with a company owned by the Head Administrator for the rental of an airplane. Total amount paid was \$99,000.

The same administration operates all four schools: Southwest Secondary, Intermediate, Primary Learning Centers and Southwest Aeronautics, Mathematics, and Science Academy.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 2,500	2,500	-	(2,500)
State Grant	1,982,963	1,982,963	1,904,209	(78,754)
Total Revenues	<u>1,985,463</u>	<u>1,985,463</u>	<u>1,904,209</u>	<u>(81,254)</u>
Expenditures:				
Current:				
Instruction	1,385,690	1,397,492	1,079,043	318,449
Support Services:				
Students	503,362	517,604	435,784	81,820
General Administration	97,692	108,835	69,322	39,513
School Administration	47,468	47,468	41,088	6,380
Central Services	126,905	128,235	87,153	41,082
Operation & Maintenance of Plant	234,000	239,000	193,719	45,281
Total Expenditures	<u>2,395,117</u>	<u>2,438,634</u>	<u>1,906,109</u>	<u>532,525</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(409,654)</u>	<u>(453,171)</u>	<u>(1,900)</u>	<u>451,271</u>
Net Changes in Fund Balances	<u>(409,654)</u>	<u>(453,171)</u>	<u>(1,900)</u>	<u>451,271</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>445,077</u>	<u>445,077</u>
Cash or Fund Balances - End of Year	<u>\$ (409,654)</u>	<u>(453,171)</u>	<u>443,177</u>	<u>896,348</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			89,749	
Adjustments to Expenditures			<u>5,288</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 93,137</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 160,053.00	169,474	169,474	-
Total Revenues	<u>160,053</u>	<u>169,474</u>	<u>169,474</u>	<u>-</u>
Expenditures:				
Current:				
Student Transportation	160,053	212,504	154,024	58,480
Total expenditures	<u>160,053</u>	<u>212,504</u>	<u>154,024</u>	<u>58,480</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(43,030)</u>	<u>15,450</u>	<u>58,480</u>
Net Changes in Fund Balances	<u>-</u>	<u>(43,030)</u>	<u>15,450</u>	<u>58,480</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>86,060</u>	<u>86,060</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(43,030)</u>	<u>101,510</u>	<u>144,540</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>43,030</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 58,480</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 14,756	14,756	29,418	14,662
Total Revenues	<u>14,756</u>	<u>14,756</u>	<u>29,418</u>	<u>14,662</u>
Expenditures:				
Current:				
Instruction	14,756	25,703	13,935	11,768
Total expenditures	<u>14,756</u>	<u>25,703</u>	<u>13,935</u>	<u>11,768</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(10,947)</u>	<u>15,483</u>	<u>26,430</u>
Net Changes in Fund Balances	<u>-</u>	<u>(10,947)</u>	<u>15,483</u>	<u>26,430</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,273</u>	<u>4,273</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(10,947)</u>	<u>19,756</u>	<u>30,703</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(6,674)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 8,809</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	4,598	4,598
Federal Grant	37,328	76,730	13,274	(63,456)
Total Revenues	<u>37,328</u>	<u>76,730</u>	<u>17,872</u>	<u>(58,858)</u>
Expenditures:				
Current:				
Instruction	37,328	76,730	17,872	58,858
Total Expenditures	<u>37,328</u>	<u>76,730</u>	<u>17,872</u>	<u>58,858</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(2,299)	
Adjustments to Expenditures			<u>(17,265)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (19,564)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	11,590	11,590
Federal Grant	-	53,638	25,622	(28,016)
Total Revenues	<u>-</u>	<u>53,638</u>	<u>37,212</u>	<u>(16,426)</u>
Expenditures:				
Current:				
Instruction	37,207	37,207	27,498	9,709
Support Services:				
Students	<u>16,431</u>	<u>16,431</u>	<u>9,714</u>	<u>6,717</u>
Total Expenditures	<u>53,638</u>	<u>53,638</u>	<u>37,212</u>	<u>16,426</u>
<i>Deficiency of Revenues Under Expenditures</i>	<u>(53,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(53,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ (53,638)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(5,795)	
Adjustments to Expenditures			<u>(9,709)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (15,504)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	583	-	(583)
Total Revenues	<u>-</u>	<u>583</u>	<u>-</u>	<u>(583)</u>
Expenditures:				
Current:				
Instruction	-	583	-	583
Total Expenditures	<u>-</u>	<u>583</u>	<u>-</u>	<u>583</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(292)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (292)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Charter Schools 24146
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	7,733	16,556	8,823
Total Revenues	<u>-</u>	<u>7,733</u>	<u>16,556</u>	<u>8,823</u>
Expenditures:				
Current:				
Instruction	-	5,733	19,144	(13,411)
School Administration	-	2,000	2,000	-
Total Expenditures	<u>-</u>	<u>7,733</u>	<u>21,144</u>	<u>(13,411)</u>
<i>Deficiency of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>(4,588)</u>	<u>(4,588)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,588)</u>	<u>(4,588)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,588</u>	<u>4,588</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(16,556)	
Adjustments to Expenditures			(3,145)	
NET CHANGE IN FUND BALANCE			<u>\$ (24,289)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/Principal Training & Recruiting 24154
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 8,488	15,932	3,719	(12,213)
Total Revenues	<u>8,488</u>	<u>15,932</u>	<u>3,719</u>	<u>(12,213)</u>
Expenditures:				
Current:				
Instruction	8,488	15,932	3,719	12,213
Total Expenditures	<u>8,488</u>	<u>15,932</u>	<u>3,719</u>	<u>12,213</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
ABC Community School Partnership 26177
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	8,750	-	(8,750)
Total Revenues	<u>-</u>	<u>8,750</u>	<u>-</u>	<u>(8,750)</u>
Expenditures:				
Current:				
Instruction	-	8,750	-	8,750
Total Expenditures	<u>-</u>	<u>8,750</u>	<u>-</u>	<u>8,750</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(8,750)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (8,750)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
TQM in Public Schools PED 27103
For The Year Ended June 30, 2014
(unaudited)

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	635	539	(96)
Total Revenues	<u>-</u>	<u>635</u>	<u>539</u>	<u>(96)</u>
Expenditures:				
Current:				
Instruction	-	635	539	96
Total expenditures	<u>-</u>	<u>635</u>	<u>539</u>	<u>96</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(96)	
NET CHANGE IN FUND BALANCE			<u>\$ (96)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
GO Bond Library 27107
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,281	3,281	-	(3,281)
Total Revenues	<u>3,281</u>	<u>3,281</u>	<u>-</u>	<u>(3,281)</u>
Expenditures:				
Current:				
Support Services:				
Students	3,281	3,281	-	3,281
Total expenditures	<u>3,281</u>	<u>3,281</u>	<u>-</u>	<u>3,281</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014
(unaudited)

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	202,006	151,505	(50,501)
Total Revenues	<u>-</u>	<u>202,006</u>	<u>151,505</u>	<u>(50,501)</u>
Expenditures:				
Capital outlay	-	202,006	151,504	50,502
Total expenditures	<u>-</u>	<u>202,006</u>	<u>151,504</u>	<u>50,502</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	-	-	1	1
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1</u>	<u>1</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(50,502)	
NET CHANGE IN FUND BALANCE			<u>\$ (50,501)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay-State 31400
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 327,000	327,000	268,283	(58,717)
Total Revenues	<u>327,000</u>	<u>327,000</u>	<u>268,283</u>	<u>(58,717)</u>
Expenditures:				
Capital Outlay	327,000	327,000	268,283	58,717
Total expenditures	<u>327,000</u>	<u>327,000</u>	<u>268,283</u>	<u>58,717</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 82,018.00	82,018	-	(82,018)
State Grant	-	-	77,491	77,491
Total Revenues	<u>82,018</u>	<u>82,018</u>	<u>77,491</u>	<u>(4,527)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	820	820	-	820
Capital Outlay	81,198	81,198	-	81,198
Total expenditures	<u>82,018</u>	<u>82,018</u>	<u>-</u>	<u>82,018</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>77,491</u>	<u>77,491</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>77,491</u>	<u>77,491</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>77,491</u>	<u>77,491</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 77,491</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Aeronautics, Mathematics, and Sciences
Cash Reconciliation
June 30, 2014
(unaudited)

	Operational 11000	Pupil Transporation 13000	Instructional Materials 14000	Federal Flowthrough 24000
Cash, June 30, 2013	\$ 445,077	86,060	4,273	4,588
Add:				
2013-14 Revenues	<u>1,904,209</u>	<u>169,474</u>	<u>29,418</u>	<u>75,359</u>
Total Cash Available	2,349,286	255,534	33,691	79,947
Less:				
2013-14 Expenditures	<u>(1,906,109)</u>	<u>(154,024)</u>	<u>(13,935)</u>	<u>(79,947)</u>
Cash June 30, 2014	<u>443,177</u>	<u>101,510</u>	<u>19,756</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>443,177</u>	<u>101,510</u>	<u>19,756</u>	<u>-</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>97,751</u>	<u>-</u>	<u>-</u>	<u>(38,505)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 540,928</u>	<u>101,510</u>	<u>19,756</u>	<u>(38,505)</u>

The accompanying notes are an integral part of these financial statements

Local Grants 26000	State Flowthrough 27103	Public School Captial Outlay 31200	Special Capital Outlay-State 31400	SB-9 Capital Improvements 31700	Total
-	-	-	-	-	539,998
-	539	151,505	268,283	77,491	2,676,278
-	539	151,505	268,283	77,491	3,216,276
	(539)	(151,504)	(268,283)	-	(2,574,341)
-	-	1	-	77,491	641,935
-	-	-	-	-	-
-	-	1	-	77,491	641,935
(8,750)	(96)	(50,502)	-	-	(102)
<u>(8,750)</u>	<u>(96)</u>	<u>(50,501)</u>	<u>-</u>	<u>77,491</u>	<u>641,833</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Statement of Net Position
June 30, 2014
(Unaudited)

ASSETS

Current Assets:

Cash	\$ 368,020
Total Current Assets	<u>368,020</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	155,776
Building and Improvements	14,151
Less: Accumulated Depreciation	<u>(157,863)</u>
Total Noncurrent Assets	<u>12,064</u>

Total Assets	<u>380,084</u>
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LIABILITIES

Current Liabilities:

Accrued Liabilities	73
Compensated Absences	<u>15,410</u>
Total Current Liabilities	<u>15,483</u>

Total Liabilities	<u>15,483</u>
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NET POSITION

Investment in Capital Assets	12,064
Restricted	281,543
Unrestricted	<u>70,994</u>

Total Net Position	<u>\$ 364,601</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Statement of Activities
For The Year Ended June 30, 2014
(Unaudited)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 480,566	-	29,499	-	(451,067)
Support Services:					
Students	142,811	-	-	-	(142,811)
General Administration	125,166	-	-	-	(125,166)
School Administration	56,516	-	-	-	(56,516)
Central Services	63,717	-	-	-	(63,717)
Operation & Maintenance of Plant	85,260	-	-	-	(85,260)
Services	263,244	-	-	341,967	78,723
Total Governmental Activities	\$ 1,217,280	-	29,499	341,967	(845,814)
			General Revenues:		
			State Equalization Guarantee	\$ 853,886	
			Total general revenues	<u>853,886</u>	
			Change in Net Position		8,072
			Net position Beginning		<u>356,529</u>
			Net position, Ending	\$ 364,601	<u><u>364,601</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Balance Sheets - Governmental Funds
June 30, 2014
(Unaudited)

	Operational 11000	Instructional Materials 14000	Title I - IASA 24101	Entitlement IDEA-B 24106
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 86,477	2,009	-	-
Accounts Receivable:				
Due from Other Funds	219,811	-	-	-
Total Assets	\$ 306,288	2,009	-	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenses	\$ 68	-	-	5
Due to Other Funds	-	-	4,344	13,689
Total Liabilities	68	-	4,344	13,694
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	2,009	-	-
Capital Improvements	-	-	-	-
Assigned to:				
Subsequent Years Expenditures and Other Programs	306,220	-	-	-
Unassigned (Deficit)	-	-	(4,344)	(13,694)
Total Fund Balance (Deficit)	306,220	2,009	(4,344)	(13,694)
Total Liabilities and Fund Balance (Deficit)	\$ 306,288	2,009	-	-

The accompanying notes are an integral part of these financial statements

Idea -B Risk Pool 24120	Teacher/Principal Training & Recruiting 24154	2010 GO Bonds Student Lib 27106	2012 GO Bonds Studend Lib 27107	2010 GOB Instructional Materials 27171	Public School Capital Outlay 31200
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	967	-	-	-	20,811
-	967	-	-	-	20,811
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(967)	-	-	-	(20,811)
-	(967)	-	-	-	(20,811)
-	-	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Balance Sheets - Governmental Funds (Continued)
June 30, 2014
(Unaudited)

	Special Capital Outlay-State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ -	248,919	30,615	368,020
Accounts Receivable:				
Due from Other Funds	-	-	-	219,811
Total Assets	\$ -	248,919	30,615	587,831
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenses	\$ -	-	-	73
Due to Other Funds	180,000	-	-	219,811
Total Liabilities	180,000	-	-	219,884
<i>Fund Balances (Deficit)</i>				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	-	-	2,009
Capital Improvements	-	248,919	30,615	279,534
Assigned to:				
Subsequent Years Expenditures and Other Programs	-	-	-	306,220
Unassigned (Deficit)	(180,000)	-	-	(219,816)
Total Fund Balance (Deficit)	(180,000)	248,919	30,615	367,947
Total Liabilities and Fund Balance (Deficit)	\$ -	248,919	30,615	587,831

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 PED Southwest Intermediate Learning Center
 Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
 June 30, 2014
 (Unaudited)

Fund balances - Total Governmental Funds **\$ 367,947**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	169,927	
Accumulated Depreciation	(157,863)	
	12,064	12,064

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Compensated Absences		(15,410)
		(15,410)

Net Position-Total Governmental Activities **\$ 364,601**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014
(Unaudited)

	Operational 11000	Instructional Materials 14000	Title I - IASA 24101	Entitlement IDEA-B 24106
Revenues:				
State Grant	\$ 853,886	6,642	-	-
Federal Grant	2,491	-	9,549	8,915
Total Revenues	<u>856,377</u>	<u>6,642</u>	<u>9,549</u>	<u>8,915</u>
Expenditures:				
Current:				
Instruction	440,332	6,046	13,893	18,393
Support Services:				
Students	138,595	-	-	4,216
General Administration	125,166	-	-	-
School Administration	56,516	-	-	-
Central Services	63,717	-	-	-
Operation & Maintenance of Plant	85,260	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>909,586</u>	<u>6,046</u>	<u>13,893</u>	<u>22,609</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(53,209)</u>	<u>596</u>	<u>(4,344)</u>	<u>(13,694)</u>
Net Changes in Fund Balances	<u>(53,209)</u>	<u>596</u>	<u>(4,344)</u>	<u>(13,694)</u>
Fund Balances (Deficit) - Beginning of Year	<u>359,429</u>	<u>1,413</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 306,220</u>	<u>2,009</u>	<u>(4,344)</u>	<u>(13,694)</u>

The accompanying notes are an integral part of these financial statements

Idea -B Risk Pool 24120	Teacher/Principal Training & Recruiting 24154	2010 GO Bonds Student Lib 27106	2012 GO Bonds Student Lib 27107	2010 GOB Instructional Materials 27171	Public School Capital Outlay 31200
-	-	-	-	-	62,433
-	1,902	-	-	-	-
-	1,902	-	-	-	62,433
-	1,902	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	83,244
-	1,902	-	-	-	83,244
-	-	-	-	-	(20,811)
-	-	-	-	-	(20,811)
-	(967)	-	-	-	-
-	(967)	-	-	-	(20,811)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Statement of Revenues, Expenditures, and Changes In Fund Balances (Deficit)
Governmental Funds (Continued)
For The Year Ended June 30, 2014
(Unaudited)

	Special Capital Outlay-State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
Revenues:				
State Grant	\$ -	248,919	30,615	1,202,495
Federal Grant	-	-	-	22,857
Total Revenues	<u>-</u>	<u>248,919</u>	<u>30,615</u>	<u>1,225,352</u>
Expenditures:				
Current:				
Instruction	-	-	-	480,566
Support Services:				
Students	-	-	-	142,811
General Administration	-	-	-	125,166
School Administration	-	-	-	56,516
Central Services	-	-	-	63,717
Operation & Maintenance of Plant	-	-	-	85,260
Capital Outlay	180,000	-	-	263,244
Total Expenditures	<u>180,000</u>	<u>-</u>	<u>-</u>	<u>1,217,280</u>
<i>Excess (Deficiency) of Revenues</i>				
<i>Over (Under) Expenditures</i>	<u>(180,000)</u>	<u>248,919</u>	<u>30,615</u>	<u>8,072</u>
Net Changes in Fund Balances	<u>(180,000)</u>	<u>248,919</u>	<u>30,615</u>	<u>8,072</u>
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>359,875</u>
Fund Balances (Deficit) - End of Year	<u>\$ (180,000)</u>	<u>248,919</u>	<u>30,615</u>	<u>367,947</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014
(Unaudited)

Net Change in Fund Balances-Total Governmental Funds	<u>\$ 8,072</u>
Change in Net Position-Total Governmental Activities	<u><u>\$ 8,072</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center Charter
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014
(unaudited)

NOTE 1. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 155,776	-	-	155,776
Building Improvements	14,151			14,151
<i>Total</i>	<u>169,927</u>	-	-	<u>169,927</u>
<i>Less: Accumulated Depreciation</i>	<u>(157,863)</u>	-	-	<u>(157,863)</u>
Capital Assets, Net	<u>\$ 12,064</u>	-	-	<u>12,064</u>

NOTE 2. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

24101 Title I-IASA	\$ (4,344)
24106 IDEA-B Entitlement	(13,694)
24154 Teacher /Principal Training & Recruiting	(967)
31200 Public School Capital Outlay	(20,811)
31400 Special Capital Outlay-State	\$ (180,000)

NOTE 3. OVERSPENT BUDGET LINE ITEMS

The Southwest Intermediate Learning Center had expended in excess of the budget in the following fund:

24101 Title I IASA	\$ 106
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NOTE 4. RELATED PARTY TRANSACTIONS

The Founder and Head Administrator of the Southwest Intermediate Learning Center are related to the owners of ADI Productions, Inc. and is on the board of the company. The Southwest Intermediate Learning Center utilizes the services of ADI for all school sponsored

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Intermediate Learning Center Charter
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014
(unaudited)**

NOTE 4. RELATED PARTY TRANSACTIONS (CONTINUED)

events that require sound and lighting such as school dances, student performances, and graduation. ADI does not charge the Southwest Intermediate Learning Center for services it provides to the school.

The school approved an employment contract for the Head Administrator's son to begin July 1, 2012. The nepotism was waived by the board August, 7, 2012.

The same administration operates all four schools: Southwest Secondary, Intermediate, Primary Learning Centers and Southwest Aeronautics, Mathematics, and Science Academy.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 2,500	2,500	-	(2,500)
State Grant	849,136	849,136	646,311	(202,825)
Federal Grant	1,498	3,055	2,491	(564)
Total Revenues	<u>853,134</u>	<u>854,691</u>	<u>648,802</u>	<u>(205,889)</u>
Expenditures:				
Current:				
Instruction	619,108	673,866	446,100	227,766
Support Services:				
Students	197,686	184,286	138,595	45,691
General Administration	119,726	135,536	125,166	10,370
School Administration	64,674	63,414	56,516	6,898
Central Services	63,355	63,855	63,717	138
Operation & Maintenance of Plant	75,994	98,999	85,260	13,739
Total Expenditures	<u>1,140,543</u>	<u>1,219,956</u>	<u>915,354</u>	<u>304,602</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(287,409)</u>	<u>(365,265)</u>	<u>(266,552)</u>	<u>98,713</u>
Net Changes in Fund Balances	<u>(287,409)</u>	<u>(365,265)</u>	<u>(266,552)</u>	<u>98,713</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>353,029</u>	<u>353,029</u>
Cash or Fund Balances - End of Year	<u>\$ (287,409)</u>	<u>(365,265)</u>	<u>86,477</u>	<u>451,742</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			207,575	
Adjustments to Expenditures			<u>5,768</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (53,209)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 6,046	6,046	7,948	1,902
Total Revenues	<u>6,046</u>	<u>6,046</u>	<u>7,948</u>	<u>1,902</u>
Expenditures:				
Current:				
Instruction	6,046	7,459	6,046	1,413
Total Expenditures	<u>6,046</u>	<u>7,459</u>	<u>6,046</u>	<u>1,413</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,413)</u>	<u>1,902</u>	<u>3,315</u>
Net Changes in Fund Balances	<u>-</u>	<u>(1,413)</u>	<u>1,902</u>	<u>3,315</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>107</u>	<u>107</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(1,413)</u>	<u>2,009</u>	<u>3,422</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(1,306)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 596</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Title I - IASA 24101
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 14,142	13,894	14,000	106
Total Revenues	<u>14,142</u>	<u>13,894</u>	<u>14,000</u>	<u>106</u>
Expenditures:				
Current:				
Instruction	14,142	13,894	14,000	(106)
Total Expenditures	<u>14,142</u>	<u>13,894</u>	<u>14,000</u>	<u>(106)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,451)	
Adjustments to Expenditures			<u>107</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (4,344)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	29,461	10,502	(18,959)
Total Revenues	<u>-</u>	<u>29,461</u>	<u>10,502</u>	<u>(18,959)</u>
Expenditures:				
Current:				
Instruction	-	18,869	6,285	12,584
Support Services:				
Students	-	10,592	4,216	6,376
Total Expenditures	<u>-</u>	<u>29,461</u>	<u>10,501</u>	<u>18,960</u>
Excess of Revenues				
Over Expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1</u>	<u>1</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,587)	
Adjustments to Expenditures			(12,108)	
NET CHANGE IN FUND BALANCE			<u>\$ (13,694)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Idea -B Risk Pool 24120
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	239	-	(239)
Total Revenues	<u>-</u>	<u>239</u>	<u>-</u>	<u>(239)</u>
Expenditures:				
Current:				
Instruction	-	239	-	239
Total Expenditures	<u>-</u>	<u>239</u>	<u>-</u>	<u>239</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher/Principal Training & Recruiting 24154
For The Year Ended June 30, 2014
(Unaudited)

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 3,373.00	3,373	2,197	(1,176)
Total Revenues	<u>3,373</u>	<u>3,373</u>	<u>2,197</u>	<u>(1,176)</u>
Expenditures:				
Current:				
Instruction	3,373	3,373	2,197	1,176
Total Expenditures	<u>3,373</u>	<u>3,373</u>	<u>2,197</u>	<u>1,176</u>
Excess of Revenues Over Expenditures	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(295)	
Adjustments to Expenditures			295	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GO Bonds Student Lib 27106
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,098	2,098	-	(2,098)
Total Revenues	<u>2,098</u>	<u>2,098</u>	<u>-</u>	<u>(2,098)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	2,098	2,098	-	2,098
Total expenditures	<u>2,098</u>	<u>2,098</u>	<u>-</u>	<u>2,098</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
2012 GO Bonds Student Lib 27107
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,137.00	3,137	-	(3,137)
Total Revenues	<u>3,137</u>	<u>3,137</u>	<u>-</u>	<u>(3,137)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,137	3,137	-	3,137
Total Expenditures	<u>3,137</u>	<u>3,137</u>	<u>-</u>	<u>3,137</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
2010 GOB Instructional Materials 27171
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 6,748	6,748	-	(6,748)
Total Revenues	<u>6,748</u>	<u>6,748</u>	<u>-</u>	<u>(6,748)</u>
Expenditures:				
Current:				
Instruction	6,748	6,748	-	6,748
Total Expenditures	<u>6,748</u>	<u>6,748</u>	<u>-</u>	<u>6,748</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	83,244	62,433	(20,811)
Total Revenues	<u>-</u>	<u>83,244</u>	<u>62,433</u>	<u>(20,811)</u>
Expenditures:				
Capital Outlay	-	83,244	62,433	20,811
Total Expenditures	<u>-</u>	<u>83,244</u>	<u>62,433</u>	<u>20,811</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(20,811)	
NET CHANGE IN FUND BALANCE			<u>\$ (20,811)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay-State 31400
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 250,000	250,000	-	(250,000)
Total Revenues	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
Expenditures:				
Capital Outlay	250,000	250,000	-	250,000
Total Expenditures	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(180,000)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (180,000)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 64,435	64,435	-	(64,435)
State Grant	-	-	248,919	248,919
Total Revenues	<u>64,435</u>	<u>64,435</u>	<u>248,919</u>	<u>184,484</u>
Expenditures:				
Current:				
Support Services:				
General Administration	644	644	-	644
Capital Outlay	223,155	223,155	184,832	38,323
Total Expenditures	<u>223,799</u>	<u>223,799</u>	<u>184,832</u>	<u>38,967</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(159,364)</u>	<u>(159,364)</u>	<u>64,087</u>	<u>223,451</u>
Net Changes in Fund Balances	<u>(159,364)</u>	<u>(159,364)</u>	<u>64,087</u>	<u>223,451</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>184,832</u>	<u>184,832</u>
Cash or Fund Balances - End of Year	<u>\$ (159,364)</u>	<u>(159,364)</u>	<u>248,919</u>	<u>408,283</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>184,832</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 248,919</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2014
(unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 32,222	32,222	-	(32,222)
State Grant	-	2,565	35,551	32,986
Total Revenues	<u>32,222</u>	<u>34,787</u>	<u>35,551</u>	<u>764</u>
Expenditures:				
Current:				
Support Services:				
General Administration	323	323	-	323
Capital Outlay	31,899	34,464	4,936	29,528
Total Expenditures	<u>32,222</u>	<u>34,787</u>	<u>4,936</u>	<u>29,851</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>30,615</u>	<u>30,615</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>30,615</u>	<u>30,615</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>30,615</u>	<u>30,615</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,936)	
Adjustments to Expenditures			4,936	
NET CHANGE IN FUND BALANCE			<u>\$ 30,615</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
PED Southwest Intermediate Learning Center
Cash Reconciliation
June 30, 2014
(Unaudited)

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Federal Flowthrough 24000</u>	<u>State Flow through 27000</u>
Cash, June 30, 2013	\$ 353,029	107	-	-
Add:				
2013-14 Revenues	<u>648,802</u>	<u>7,948</u>	<u>26,700</u>	<u>-</u>
Total Cash Available	1,001,831	8,055	26,700	-
Less:				
2013-14 Expenditures	<u>(915,354)</u>	<u>(6,046)</u>	<u>(26,700)</u>	<u>-</u>
Cash June 30, 2014	<u>86,477</u>	<u>2,009</u>	<u>-</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>86,477</u>	<u>2,009</u>	<u>-</u>	<u>-</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>219,743</u>	<u>-</u>	<u>(19,005)</u>	<u>-</u>
Fund Balance , Modified Accrual Basis	<u>\$ 306,220</u>	<u>2,009</u>	<u>(19,005)</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Special Capital Outlay-State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
-	-	184,832	-	537,968
62,433	-	248,919	35,551	1,030,353
62,433	-	433,751	35,551	1,568,321
(62,433)	-	(184,832)	(4,936)	(1,200,301)
-	-	248,919	30,615	368,020
-	-	-	-	-
-	-	248,919	30,615	368,020
(20,811)	(180,000)	-	-	(73)
<u>(20,811)</u>	<u>(180,000)</u>	<u>248,919</u>	<u>30,615</u>	<u>367,947</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Net Position
June 30, 2014
(Unaudited)

ASSETS

Current Assets:

Cash	\$ 429,303
Total Current Assets	<u>429,303</u>

Noncurrent assets:

Capital Assets	
Building and improvements	16,336
Furniture, Fixtures, and Equipment	219,996
Less: Accumulated Depreciation	<u>(157,760)</u>
Total Noncurrent Assets	<u>78,572</u>
Total Assets	<u>507,875</u>

LIABILITIES

Current Liabilities:

Accrued Liabilities	85
Compensated Absences	<u>15,363</u>
Total Current Liabilities	<u>15,448</u>
Total Liabilities	<u>15,448</u>

NET POSITION

Investment in Capital Assets	78,572
Restricted	272,501
Unrestricted	<u>141,354</u>
Total Net Position	<u>\$ 492,427</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Activities
For The Year Ended June 30, 2014
(Unaudited)

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 530,085	1,440	27,773	7,651	(493,221)
Support Services:					
Students	102,493	-	-	-	(102,493)
General Administration	130,480	-	-	-	(130,480)
School Administration	40,529	-	-	-	(40,529)
Central Services	73,155	-	-	-	(73,155)
Operation & Maintenance of Plant Facilities Materials, Supplies & Other Services	104,274 117,695	- -	- -	- 329,464	(104,274) 211,769
Total Governmental Activities	\$ 1,098,711	1,440	27,773	337,115	(732,383)
General Revenues:					
State Equalization Guarantee					\$ 866,581
Interest income					1,710
Miscellaneous					895
Total General Revenues					<u>869,186</u>
Change in Net Position					136,803
Net Position, Beginning					<u>355,624</u>
Net Position, Ending					<u>\$ 492,427</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Balance Sheets - Governmental Funds
June 30, 2014
(Unaudited)

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Title I-IASA 24101</u>	<u>IDEA-B Entitlement 24106</u>
ASSETS				
<i>Assets</i>				
Cash and Cash Equivalents	\$ 156,802	1,308	-	-
Accounts Receivable				
Due from Other Funds	<u>86,026</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 242,828</u>	<u>1,308</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accrued Expenses	\$ 83	-	2	-
Due to Other Funds	<u>-</u>	<u>-</u>	<u>9,754</u>	<u>5,550</u>
Total Liabilities	<u>83</u>	<u>-</u>	<u>9,756</u>	<u>5,550</u>
Fund Balances (Deficit)				
Fund Balance (Deficit):				
Restricted for:				
Instruction	-	1,308	-	-
Capital Improvements	-	-	-	-
Unassigned (Deficit)	<u>242,745</u>	<u>-</u>	<u>(9,756)</u>	<u>(5,550)</u>
Total Fund Balance (Deficit)	<u>242,745</u>	<u>1,308</u>	<u>(9,756)</u>	<u>(5,550)</u>
Total Liabilities and fund balance (deficit)	<u>\$ 242,828</u>	<u>1,308</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Elementary & Middle School Initiative 26177	Public School Capital Outlay 31200	Special Capital Outlay-State 31400	Capital Improvements HB-33 31600	Capital Improvements SB-9 31700	Total
-	-	-	-	243,361	27,832	429,303
-	-	-	-	-	-	86,026
-	-	-	-	243,361	27,832	515,329
-	-	-	-	-	-	85
1,298	10,000	19,424	40,000	-	-	86,026
1,298	10,000	19,424	40,000	-	-	86,111
-	-	-	-	-	-	1,308
-	-	-	-	243,361	27,832	271,193
(1,298)	(10,000)	(19,424)	(40,000)	-	-	156,717
(1,298)	(10,000)	(19,424)	(40,000)	243,361	27,832	429,218
-	-	-	-	243,361	27,832	515,329

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Southwest Primary Learning Center
 Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
 June 30, 2014
 (Unaudited)

Fund Balances - Total Governmental Funds **\$ 429,218**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	236,332	
Accumulated Depreciation	(157,760)	
	78,572	78,572

Long-term liabilities are not due in the current period and, therefore, are not reported in the funds.

Compensated Absences	(15,363)	
	(15,363)	(15,363)

Net Position-Total Governmental Activities **\$ 492,427**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014
(Unaudited)

	Operational 11000	Instructional Materials 14000	Title I-IASA 24101	IDEA-B Entitlement 24106
Revenues:				
Property Taxes	\$ -	-	-	-
Local & County Grant	2,605	-	1,563	2,088
State Grant	866,581	6,226	-	-
Federal Grant	2,508	-	8,345	8,867
Charges for Services	1,440	-	-	-
Total Revenues	<u>873,134</u>	<u>6,226</u>	<u>9,908</u>	<u>10,955</u>
Expenditures:				
Current:				
Instruction	479,417	5,555	19,664	8,324
Support Services:				
Students	94,312	-	-	8,181
General Administration	130,480	-	-	-
School Administration	40,529	-	-	-
Central Services	73,155	-	-	-
Operation & Maintenance of Plant	104,274	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>922,167</u>	<u>5,555</u>	<u>19,664</u>	<u>16,505</u>
<i>Excess (Deficiency) of Revenues</i>				
<i> Over (Under) Expenditures</i>	<u>(49,033)</u>	<u>671</u>	<u>(9,756)</u>	<u>(5,550)</u>
Net Changes in Fund Balances	(49,033)	671	(9,756)	(5,550)
Fund Balances - Beginning of Year	<u>291,778</u>	<u>637</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 242,745</u>	<u>1,308</u>	<u>(9,756)</u>	<u>(5,550)</u>

The accompanying notes are an integral part of these financial statements

Teacher Principal Training 24154	Elementary & Middle School Initiative 26177	Public School Capital Outlay 31200	Special Capital Outlay-State 31400	Capital Improvements HB-33 31600	Capital Improvements SB- 9 31700	Total
-	-	-	-	243,361	25,299	268,660
-	4,000	-	-	-	2,533	12,789
-	-	58,271	-	-	-	931,078
1,827	-	-	-	-	-	21,547
-	-	-	-	-	-	1,440
<u>1,827</u>	<u>4,000</u>	<u>58,271</u>	<u>-</u>	<u>243,361</u>	<u>27,832</u>	<u>1,235,514</u>
3,125	14,000	-	-	-	-	530,085
-	-	-	-	-	-	102,493
-	-	-	-	-	-	130,480
-	-	-	-	-	-	40,529
-	-	-	-	-	-	73,155
-	-	-	-	-	-	104,274
-	-	77,695	40,000	-	-	117,695
<u>3,125</u>	<u>14,000</u>	<u>77,695</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>1,098,711</u>
(1,298)	(10,000)	(19,424)	(40,000)	243,361	27,832	136,803
(1,298)	(10,000)	(19,424)	(40,000)	243,361	27,832	136,803
-	-	-	-	-	-	292,415
<u>(1,298)</u>	<u>(10,000)</u>	<u>(19,424)</u>	<u>(40,000)</u>	<u>243,361</u>	<u>27,832</u>	<u>429,218</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014
(Unaudited)

Net Change in Fund Balances-Total Governmental Funds	<u>\$ 136,803</u>
Change in Net Position-total Governmental Activities	<u><u>\$ 136,803</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Notes to the Financial Statements
June 30, 2014
(Unaudited)

NOTE 1. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, fixtures and equipment	\$ 219,996	-	-	219,996
Buildings and improvements	13,536	-	-	13,536
Land improvements	2,800	-	-	2,800
<i>Total</i>	<u>236,332</u>	<u>-</u>	<u>-</u>	<u>236,332</u>
<i>Less: Accumulated Depreciation</i>	<u>(157,760)</u>	<u>-</u>	<u>-</u>	<u>(157,760)</u>
Capital Assets, Net	<u>\$ 78,572</u>	<u>-</u>	<u>-</u>	<u>78,572</u>

NOTE 2. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

24101 Title I-IASA	\$ (9,756)
24106 IDEA-B Entitlement	\$ (5,550)
24154 Teacher Principal Training	\$ (1,298)
26177 Elementary & Middle School Initiative	\$ (10,000)
31200 Public School Capital Outlay	\$ (19,424)
31400 Special Capital Outlay-State	\$ (40,000)

NOTE 3. RELATED PARTY TRANSACTIONS

The Founder and Head Administrator of the Southwest Primary Learning Center are related to the owners of ADI Productions, Inc. The Southwest Secondary Learning Center utilizes the services of ADI for all school-sponsored events that require sound and lighting such as school dances, student performances, and graduation. ADI does not charge the Southwest Primary Learning Center for services it provides to Southwest Primary Learning Center.

The same administration operates all four schools: Southwest Secondary, Intermediate, Primary Learning Centers and Southwest Aeronautics, Mathematics, and Science Academy.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	2,605	2,605
State Grant	866,581	866,581	798,289	(68,292)
Federal Grant	5,078	6,646	2,508	(4,138)
Charges for Services	-	-	1,440	1,440
Total Revenues	<u>871,659</u>	<u>873,227</u>	<u>804,842</u>	<u>(68,385)</u>
Expenditures:				
Current:				
Instruction	589,788	612,559	479,778	132,781
Support Services:				
Students	178,213	156,189	94,312	61,877
General Administration	118,045	139,045	130,480	8,565
School Administration	52,576	48,076	40,529	7,547
Central Services	82,277	92,376	73,155	19,221
Operation & Maintenance of Plant	92,873	117,204	104,274	12,930
Total Expenditures	<u>1,113,772</u>	<u>1,165,449</u>	<u>922,528</u>	<u>242,921</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(242,113)</u>	<u>(292,222)</u>	<u>(117,686)</u>	<u>174,536</u>
Net Changes in Fund Balances	<u>(242,113)</u>	<u>(292,222)</u>	<u>(117,686)</u>	<u>174,536</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>274,488</u>	<u>274,488</u>
Cash or Fund Balances - End of Year	<u>\$ (242,113)</u>	<u>(292,222)</u>	<u>156,802</u>	<u>449,024</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			68,292	
Adjustments to Expenditures			361	
NET CHANGE IN FUND BALANCE			<u>\$ (49,033)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 5,556	5,556	7,303	1,747
Total Revenues	<u>5,556</u>	<u>5,556</u>	<u>7,303</u>	<u>1,747</u>
Expenditures:				
Current:				
Instruction	5,556	6,633	5,995	638
Total Expenditures	<u>5,556</u>	<u>6,633</u>	<u>5,995</u>	<u>638</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,077)</u>	<u>1,308</u>	<u>2,385</u>
Net Changes in Fund Balances	<u>-</u>	<u>(1,077)</u>	<u>1,308</u>	<u>2,385</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>(1,077)</u>	<u>1,308</u>	<u>2,385</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,077)	
Adjustments to Expenditures			<u>440</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 671</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Title I-IASA 24101
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	1,563	1,563
Federal Grant	12,305	29,648	9,908	(19,740)
Total Revenues	<u>12,305</u>	<u>29,648</u>	<u>11,471</u>	<u>(18,177)</u>
Expenditures:				
Current:				
Instruction	12,305	29,648	11,471	18,177
Total Expenditures	<u>12,305</u>	<u>29,648</u>	<u>11,471</u>	<u>18,177</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,563)	
Adjustments to Expenditures			(8,193)	
NET CHANGE IN FUND BALANCE			<u>\$ (9,756)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	2,088	2,088
Federal Grant	-	25,051	10,955	(14,096)
Total Revenues	<u>-</u>	<u>25,051</u>	<u>13,043</u>	<u>(12,008)</u>
Expenditures:				
Current:				
Instruction	-	10,447	4,862	5,585
Support Services:				
Students	-	14,604	8,181	6,423
Total Expenditures	<u>-</u>	<u>25,051</u>	<u>13,043</u>	<u>12,008</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(2,088)	
Adjustments to Expenditures			(3,462)	
NET CHANGE IN FUND BALANCE			<u>\$ (5,550)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 3,125	3,125	1,827	(1,298)
Total Revenues	<u>3,125</u>	<u>3,125</u>	<u>1,827</u>	<u>(1,298)</u>
Expenditures:				
Current:				
Instruction	3,125	3,125	1,827	1,298
Total Expenditures	<u>3,125</u>	<u>3,125</u>	<u>1,827</u>	<u>1,298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(1,298)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,298)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Elementary & Middle School Initiative 26177
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	10,000	8,000	(2,000)
Total Revenues	<u>-</u>	<u>10,000</u>	<u>8,000</u>	<u>(2,000)</u>
Expenditures:				
Current:				
Instruction	-	10,000	8,000	2,000
Total Expenditures	<u>-</u>	<u>10,000</u>	<u>8,000</u>	<u>2,000</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,000)	
Adjustments to Expenditures			<u>(6,000)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (10,000)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	77,695	58,271	(19,424)
Total Revenues	<u>-</u>	<u>77,695</u>	<u>58,271</u>	<u>(19,424)</u>
Expenditures:				
Current:				
Capital Outlay	-	77,695	58,271	19,424
Total Expenditures	<u>-</u>	<u>77,695</u>	<u>58,271</u>	<u>19,424</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(19,424)	
NET CHANGE IN FUND BALANCE			<u>\$ (19,424)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay-State 31400
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 75,000	75,000	-	(75,000)
Total Revenues	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>
Expenditures:				
Current:				
Capital Outlay	75,000	75,000	-	75,000
Total Expenditures	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(40,000)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (40,000)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	58,529	58,529
Total Revenues	<u>-</u>	<u>-</u>	<u>58,529</u>	<u>58,529</u>
Expenditures:				
Current:				
Capital Outlay	159,747	-	-	-
Total Expenditures	<u>159,747</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(159,747)</u>	<u>-</u>	<u>58,529</u>	<u>58,529</u>
Net Changes in Fund Balances	<u>(159,747)</u>	<u>-</u>	<u>58,529</u>	<u>58,529</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>184,832</u>	<u>184,832</u>
Cash or Fund Balances - End of Year	<u><u>\$ (159,747)</u></u>	<u><u>-</u></u>	<u><u>243,361</u></u>	<u><u>243,361</u></u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>184,832</u>	
NET CHANGE IN FUND BALANCE			<u><u>\$ 243,361</u></u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 29,292	29,292	27,832	(1,460)
Local & County Grant	-	2,405	2,533	128
Total Revenues	<u>29,292</u>	<u>31,697</u>	<u>30,365</u>	<u>(1,332)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	293	293	-	293
Capital Outlay	28,999	31,404	2,533	28,871
Total Expenditures	<u>29,292</u>	<u>31,697</u>	<u>2,533</u>	<u>29,164</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	-	-	27,832	27,832
Net Changes in Fund Balances	-	-	27,832	27,832
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>27,832</u>	<u>27,832</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(2,533)	
Adjustments to Expenditures			2,533	
NET CHANGE IN FUND BALANCE			<u>\$ 27,832</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Primary Learning Center
Cash Reconciliation
June 30, 2014
(Unaudited)

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Federal Flowthrough 24000</u>	<u>Local Grants 26000</u>
Cash, June 30, 2013	\$ 274,488	-	-	-
Add:				
2013-14 Revenues	<u>804,842</u>	<u>7,303</u>	<u>26,341</u>	<u>8,000</u>
Total Cash Available	1,079,330	7,303	26,341	8,000
Less:				
2013-14 Expenditures	<u>(922,528)</u>	<u>(5,995)</u>	<u>(26,341)</u>	<u>(8,000)</u>
Cash June 30, 2014	<u>156,802</u>	<u>1,308</u>	<u>-</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Per Books	<u>156,802</u>	<u>1,308</u>	<u>-</u>	<u>-</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>85,943</u>	<u>-</u>	<u>(16,604)</u>	<u>(10,000)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 242,745</u>	<u>1,308</u>	<u>(16,604)</u>	<u>(10,000)</u>

The accompanying notes are an integral part of these financial statements

Public School Capital Outlay 31200	Special Capital Outlay-State 31400	Capital Improv. HB 33 31600	Capital Improv. SB 9 31700	Total
-	-	184,832	-	459,320
58,271	-	58,529	30,365	993,651
58,271	-	243,361	30,365	1,452,971
(58,271)	-	-	(2,533)	(1,023,668)
-	-	243,361	27,832	429,303
-	-	-	-	-
-	-	243,361	27,832	429,303
(19,424)	(40,000)	-	-	(85)
<u>(19,424)</u>	<u>(40,000)</u>	<u>243,361</u>	<u>27,832</u>	<u>429,218</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Net Position
June 30, 2014
(Unaudited)

ASSETS

Current Assets:

Cash	\$ 953,282
Total Current Assets	<u>953,282</u>

Noncurrent Assets:

Capital Assets	
Building and Improvements	42,662
Vehicles	46,356
Furniture, Fixtures, and Equipment	977,932
Less: Accumulated Depreciation	<u>(1,009,930)</u>
Total Noncurrent Assets	<u>57,020</u>
Total Assets	<u>1,010,302</u>

LIABILITIES

Current Liabilities:

Accounts Payable	584
Accrued Liabilities	111
Compensated Absences	<u>18,894</u>
Total Current Liabilities	<u>19,589</u>
Total Liabilities	<u>19,589</u>

NET POSITION

Investment in Capital Assets	57,020
Restricted	754,120
Unrestricted	<u>179,573</u>
Total Net Position	<u>\$ 990,713</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Activities
For The Year Ended June 30, 2014
(Unaudited)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Instruction	\$ 1,325,640	10,756	71,488	6,847	(1,236,549)
Support Services:					
Students	447,064	-	-	-	(447,064)
General Administration	190,479	-	-	-	(190,479)
School Administration	131,183	-	-	-	(131,183)
Central Services	99,286	-	-	-	(99,286)
Operation & Maintenance of Plant	326,814	-	-	-	(326,814)
Student Transportation	48,307	-	49,869	-	1,562
Facilities Materials, Supplies & Other Services	307,186	-	-	966,928	659,742
Total Governmental Activities	\$ 2,875,959	10,756	121,357	973,775	(1,770,071)
			General Revenues:		
			State Equalization Guarantee	\$ 2,249,329	
			Interest Income	3,368	
			Miscellaneous	28,962	
			Total General Revenues	<u>2,281,659</u>	
			Change in Net Position		511,588
			Net Position, Beginning		<u>479,125</u>
			Net Position, Ending		<u>\$ 990,713</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Balance Sheets - Governmental Funds
June 30, 2014
(Unaudited)

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
ASSETS			
<i>Assets</i>			
Cash and Cash Equivalents	\$ 199,162	17,467	25,114
Accounts Receivable			
Due from Other Funds	85,744	-	-
Total Assets	<u>\$ 284,906</u>	<u>17,467</u>	<u>25,114</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ 104	-	-
Accrued Expenditures	104	-	-
Due to Other Funds	-	-	-
Total Liabilities	<u>208</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)			
Fund Balance (Deficit):			
Restricted for:			
Instruction	-	-	25,114
Student Transportation	-	17,467	-
Capital Improvements	-	-	-
Assigned to:			
Subsequent Years Expenditure and Other Programs	284,698	-	-
Unassigned (Deficit)	-	-	-
Total Fund Balance (Deficit)	<u>284,698</u>	<u>17,467</u>	<u>25,114</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 284,906</u>	<u>17,467</u>	<u>25,114</u>

The accompanying notes are an integral part of these financial statements

Title I-IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Dual Credit Instruction 27103	Public School Capital Outlay 31200	Special Capital Outlay-State 31400
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
480	-	-	-	-	-
2	5	-	-	-	-
20,173	12,603	-	1,171	51,797	-
20,655	12,608	-	1,171	51,797	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(20,655)	(12,608)	-	(1,171)	(51,797)	-
(20,655)	(12,608)	-	(1,171)	(51,797)	-
-	-	-	-	-	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Balance Sheets - Governmental Funds
June 30, 2014
(Unaudited)

	Capital Improvements HB- 33 31600	Capital Improvements SB- 9 31700	Total
ASSETS			
<i>Assets</i>			
Cash and Cash Equivalents	\$ 633,611	77,928	953,282
Accounts Receivable			
Due from Other Funds	-	-	85,744
Total Assets	<u>\$ 633,611</u>	<u>77,928</u>	<u>1,039,026</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts Payable	\$ -	-	584
Accrued Expenditures	-	-	111
Due to Other Funds	-	-	85,744
Total Liabilities	<u>-</u>	<u>-</u>	<u>86,439</u>
Fund Balances (Deficit)			
Fund Balance (Deficit):			
Restricted for:			
Instruction	-	-	25,114
Student Transportation	-	-	17,467
Capital Improvements	633,611	77,928	711,539
Assigned to:			
Subsequent Years Expenditure and Other Programs	-	-	284,698
Unassigned (Deficit)	-	-	(86,231)
Total Fund Balance (Deficit)	<u>633,611</u>	<u>77,928</u>	<u>952,587</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 633,611</u>	<u>77,928</u>	<u>1,039,026</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Reconciliation of the Balance Sheet - Governmental Funds
To Statement of Net Position
June 30, 2014
(Unaudited)

Fund Balances - Total Governmental Funds **\$ 952,587**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	1,066,950	
Accumulated Depreciation	<u>(1,009,930)</u>	
		57,020

Long-term liabilities are not due in the current period and,
 therefore, are not reported in the funds.

Compensated Absences	<u>(18,894)</u>	
		<u>(18,894)</u>

Net Position-Total Governmental Activities **\$ 990,713**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014
(Unaudited)

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
Revenues:			
Property Taxes	\$ -	-	-
State Grant	2,249,329	49,869	19,604
Federal Grant	4,757	-	-
Charges for Services	10,756	-	-
Miscellaneous	28,962	-	-
Interest	3,368	-	-
Total Revenues	<u>2,297,172</u>	<u>49,869</u>	<u>19,604</u>
Expenditures:			
Current:			
Instruction	1,236,754	-	4,042
Support Services:			
Students	443,500	-	-
General Administration	190,479	-	-
School Administration	131,183	-	-
Central Services	99,286	-	-
Operation & Maintenance of Plant	326,814	-	-
Student Transportation	-	48,307	-
Capital Outlay	-	-	-
Total Expenditures	<u>2,428,016</u>	<u>48,307</u>	<u>4,042</u>
<i>Excess (Deficiency) of Revenues</i>			
<i>Over (Under) Expenditures</i>	<u>(130,844)</u>	<u>1,562</u>	<u>15,562</u>
Net Changes In Fund Balances	<u>(130,844)</u>	<u>1,562</u>	<u>15,562</u>
Fund Balances - Beginning of Year	<u>415,542</u>	<u>15,905</u>	<u>9,552</u>
Fund Balances (Deficit) - End of Year	<u>\$ 284,698</u>	<u>17,467</u>	<u>25,114</u>

The accompanying notes are an integral part of these financial statements

Title I-IASA 24101	IDEA-B Entitlement 24106	Teacher Principal Training 24154	Dual Credit Instruction 27103	Public School Capital Outlay 31200	Special Capital Outlay-State 31400
-	-	-	-	-	-
-	-	-	6,639	155,389	100,000
17,798	19,333	3,357	-	-	-
-	-	-	-	-	-
1,867	4,980	-	-	-	-
-	-	-	-	-	-
<u>19,665</u>	<u>24,313</u>	<u>3,357</u>	<u>6,639</u>	<u>155,389</u>	<u>100,000</u>
40,320	33,357	3,357	7,810	-	-
-	3,564	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	207,186	100,000
<u>40,320</u>	<u>36,921</u>	<u>3,357</u>	<u>7,810</u>	<u>207,186</u>	<u>100,000</u>
<u>(20,655)</u>	<u>(12,608)</u>	<u>-</u>	<u>(1,171)</u>	<u>(51,797)</u>	<u>-</u>
<u>(20,655)</u>	<u>(12,608)</u>	<u>-</u>	<u>(1,171)</u>	<u>(51,797)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(20,655)</u>	<u>(12,608)</u>	<u>-</u>	<u>(1,171)</u>	<u>(51,797)</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) (Continued)
Governmental Funds
For The Year Ended June 30, 2014
(Unaudited)

	Capital Improvements HB-33 31600	Capital Improvements 9 31700	SB- Total
Revenues:			
Property Taxes	\$ 633,611	71,510	705,121
State Grant	\$ -	-	2,580,830
Federal Grant	-	-	45,245
Charges for Services	-	-	10,756
Miscellaneous	-	6,418	42,227
Interest	-	-	3,368
Total Revenues	<u>633,611</u>	<u>77,928</u>	<u>3,387,547</u>
Expenditures:			
Current:			
Instruction	-	-	1,325,640
Support Services:			
Students	-	-	447,064
General Administration	-	-	190,479
School Administration	-	-	131,183
Central Services	-	-	99,286
Operation & Maintenance of Plant	-	-	326,814
Student Transportation	-	-	48,307
Capital Outlay	-	-	307,186
Total Expenditures	<u>-</u>	<u>-</u>	<u>2,875,959</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>633,611</u>	<u>77,928</u>	<u>511,588</u>
Net Changes In Fund Balances	<u>633,611</u>	<u>77,928</u>	<u>511,588</u>
Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>440,999</u>
Fund Balances (Deficit) - End of Year	<u>\$ 633,611</u>	<u>77,928</u>	<u>952,587</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For The Year Ended June 30, 2014
(Unaudited)

Net Change In Fund Balances-Total Governmental Funds	<u>\$ 511,588</u>
Change In Net Position-Total Governmental Activities	<u><u>\$ 511,588</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2014
(Unaudited)

NOTE 1. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 977,932	-	-	977,932
Buildings and Improvements	42,662	-	-	42,662
Vehicles	46,356	-	-	46,356
<i>Total</i>	<u>1,066,950</u>	-	-	<u>1,066,950</u>
<i>Less: Accumulated Depreciation</i>	<u>(1,009,930)</u>	-	-	<u>(1,009,930)</u>
Capital Assets, Net	<u>\$ 57,020</u>	-	-	<u>57,020</u>

NOTE 2. COMMITMENTS AND CONTINGENCIES

The Southwest Secondary Learning Center leased various facilities and equipment under long-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$551,036 Southwest Secondary Learning Center's minimum future payments on these leases are as follows:

Year Ending June 30:	
2015	\$ 110,160
2016	110,160
2017	112,363
2018	112,363
2019	112,363
2020-2021	<u>236,053</u>
Total minimum lease payments	<u>\$ 793,462</u>

NOTE 3. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

24101 Title I-IASA	\$ (20,655)
24106 IDEA-B Entitlement	(12,608)
27103 Dual Credit Instruction	(1,171)
31200 Public School Capital Outlay	\$ (51,797)

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Notes to the Financial Statements
June 30, 2014
(Unaudited)**

NOTE 4. RELATED PARTY TRANSACTIONS

The Founder and Head Administrator of the Southwest Secondary Learning Center are related to the owners of ADI Productions, Inc. The Southwest Secondary Learning Center utilizes the services of ADI for all school-sponsored events that require sound and lighting such as school dances, student performances, and graduation. ADI does not charge the Southwest Secondary Learning Center for services it provides to Southwest Secondary Learning Center.

The same administration operates all four schools: Southwest Secondary, Intermediate, Primary Learning Centers and Southwest Aeronautics, Mathematics, and Science Academy.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ 9,500	9,500	-	(9,500)
State Grant	2,249,329	2,249,329	2,176,850	(72,479)
Federal Grant	5,848	8,821	4,757	(4,064)
Charges For Services	-	-	10,756	10,756
Miscellaneous	-	-	28,962	28,962
Interest	-	-	3,368	3,368
Total Revenues	<u>2,264,677</u>	<u>2,267,650</u>	<u>2,224,693</u>	<u>(42,957)</u>
Expenditures:				
Current:				
Instruction	1,386,132	1,407,300	1,254,741	152,559
Support Services:				
Students	440,917	461,770	443,500	18,270
General Administration	196,009	229,225	190,479	38,746
School Administration	145,589	132,282	131,183	1,099
Central Services	106,727	106,884	99,286	7,598
Operation & Maintenance of Plant	335,016	363,926	326,814	37,112
Total Expenditures	<u>2,610,390</u>	<u>2,701,387</u>	<u>2,446,003</u>	<u>255,384</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(345,713)</u>	<u>(433,737)</u>	<u>(221,310)</u>	<u>212,427</u>
Other Financing Sources (Uses):				
Designated Cash	345,713	433,737	-	(433,737)
Total Other Financing Sources (Uses):	<u>345,713</u>	<u>433,737</u>	<u>-</u>	<u>(433,737)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(221,310)</u>	<u>(221,310)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>420,472</u>	<u>420,472</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>199,162</u>	<u>199,162</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			72,479	
Adjustments to expenditures			17,987	
NET CHANGE IN FUND BALANCE			<u>\$ (130,844)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 47,796	49,869	49,869	-
Total Revenues	<u>47,796</u>	<u>49,869</u>	<u>49,869</u>	<u>-</u>
Expenditures:				
Current:				
Student Transportation	47,796	70,635	48,307	22,328
Total Expenditures	<u>47,796</u>	<u>70,635</u>	<u>48,307</u>	<u>22,328</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(20,766)</u>	<u>1,562</u>	<u>22,328</u>
Other Financing Sources (Uses):				
Designated Cash	-	20,766	-	(20,766)
Total Other Financing Sources (Uses):	<u>-</u>	<u>20,766</u>	<u>-</u>	<u>(20,766)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,562</u>	<u>1,562</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>41,531</u>	<u>41,531</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>43,093</u>	<u>43,093</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,562</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 14,978	14,978	22,663	7,685
Total Revenues	<u>14,978</u>	<u>14,978</u>	<u>22,663</u>	<u>7,685</u>
Expenditures:				
Current:				
Instruction	14,978	27,603	7,115	20,488
Total Expenditures	<u>14,978</u>	<u>27,603</u>	<u>7,115</u>	<u>20,488</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(12,625)</u>	<u>15,548</u>	<u>28,173</u>
Other Financing Sources (Uses):				
Designated Cash	-	12,625	-	(12,625)
Total Other Financing Sources (Uses):	<u>-</u>	<u>12,625</u>	<u>-</u>	<u>(12,625)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>15,548</u>	<u>15,548</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>9,566</u>	<u>9,566</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>25,114</u>	<u>25,114</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(3,059)	
Adjustments to Expenditures			<u>3,073</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 15,562</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Title I-IASA 24101
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 27,509	45,217	19,665	(25,552)
Miscellaneous	-	-	1,867	1,867
Total Revenues	<u>27,509</u>	<u>45,217</u>	<u>21,532</u>	<u>(23,685)</u>
Expenditures:				
Current:				
Instruction	27,509	45,217	21,532	23,685
Total Expenditures	<u>27,509</u>	<u>45,217</u>	<u>21,532</u>	<u>23,685</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	-	-
Designated Cash	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(1,867)	
Adjustments to Expenditures			<u>(18,788)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (20,655)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	58,138	24,313	(33,825)
Miscellaneous	-	-	4,980	4,980
Total Revenues	<u>-</u>	<u>58,138</u>	<u>29,293</u>	<u>(28,845)</u>
Expenditures:				
Current:				
Instruction	-	48,138	25,729	22,409
Support Services:				
Students	-	10,000	3,564	6,436
Total Expenditures	<u>-</u>	<u>58,138</u>	<u>29,293</u>	<u>28,845</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,980)	
Adjustments to Expenditures			(7,628)	
NET CHANGE IN FUND BALANCE			<u>\$ (12,608)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For The Year Ended June 30, 2014
(Unaudited)

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 8,161	8,161	3,357	(4,804)
Total Revenues	<u>8,161</u>	<u>8,161</u>	<u>3,357</u>	<u>(4,804)</u>
Expenditures:				
Current:				
Instruction	8,161	8,161	3,357	4,804
Total Expenditures	<u>8,161</u>	<u>8,161</u>	<u>3,357</u>	<u>4,804</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instruction 27103
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	7,810	6,639	(1,171)
Total Revenues	<u>-</u>	<u>7,810</u>	<u>6,639</u>	<u>(1,171)</u>
Expenditures:				
Current:				
Instruction	-	7,810	6,639	1,171
Total Expenditures	<u>-</u>	<u>7,810</u>	<u>6,639</u>	<u>1,171</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(1,171)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,171)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	207,186	155,389	(51,797)
Total Revenues	<u>-</u>	<u>207,186</u>	<u>155,389</u>	<u>(51,797)</u>
Expenditures:				
Current:				
Capital Outlay	-	207,186	155,389	51,797
Total Expenditures	<u>-</u>	<u>207,186</u>	<u>155,389</u>	<u>51,797</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(51,797)	
NET CHANGE IN FUND BALANCE			<u>\$ (51,797)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay-State 31400
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 100,000	100,000	100,000	-
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Expenditures:				
Current:				
Capital Outlay	100,000	100,000	100,000	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements HB-33 31600
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	633,611	633,611
Total Revenues	<u>-</u>	<u>-</u>	<u>633,611</u>	<u>633,611</u>
Expenditures:				
Current:				
Capital Outlay	309,100	309,100	-	309,100
Total Expenditures	<u>309,100</u>	<u>309,100</u>	<u>-</u>	<u>309,100</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(309,100)</u>	<u>(309,100)</u>	<u>633,611</u>	<u>942,711</u>
Other Financing Sources (Uses):				
Designated Cash	309,100	309,100	-	(309,100)
Total Other Financing Sources (Uses):	<u>309,100</u>	<u>309,100</u>	<u>-</u>	<u>(309,100)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>633,611</u>	<u>633,611</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>633,611</u>	<u>633,611</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 633,611</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Schedule of Budgetary Comparisons - Budgetary Basis
Capital Improvements SB-9 31700
For The Year Ended June 30, 2014
(Unaudited)

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ -	-	77,928	77,928
Local & County Grant	82,018	88,431	-	(88,431)
Miscellaneous	-	-	6,418	6,418
Total Revenues	<u>82,018</u>	<u>88,431</u>	<u>84,346</u>	<u>(4,085)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	821	821	-	821
Capital outlay	81,197	87,610	6,418	81,192
Total Expenditures	<u>82,018</u>	<u>88,431</u>	<u>6,418</u>	<u>82,013</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>77,928</u>	<u>77,928</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>77,928</u>	<u>77,928</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>77,928</u>	<u>77,928</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(6,418)	
Adjustments to Expenditures			6,418	
NET CHANGE IN FUND BALANCE			<u>\$ 77,928</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Southwest Secondary Learning Center
Cash Reconciliation
June 30, 2014
(Unaudited)

	<u>Operational 11000</u>	<u>Transportation 13000</u>	<u>Instructional Materials 14000</u>	<u>Federal Flowthrough 24000</u>
Cash, June 30, 2013	\$ 420,472	41,531	9,566	-
Add:				
2013-14 revenues	<u>2,224,693</u>	<u>49,869</u>	<u>22,663</u>	<u>54,182</u>
Total cash available	2,645,165	91,400	32,229	54,182
Less:				
2013-14 Expenditures	(2,446,003)	(48,307)	(7,115)	(54,182)
Receivables/Payables	<u>-</u>	<u>(25,626)</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>199,162</u>	<u>17,467</u>	<u>25,114</u>	<u>-</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>199,162</u>	<u>17,467</u>	<u>25,114</u>	<u>-</u>
Fund Balance (Deficit) Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>85,536</u>	<u>-</u>	<u>-</u>	<u>(33,263)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 284,698</u>	<u>17,467</u>	<u>25,114</u>	<u>(33,263)</u>

The accompanying notes are an integral part of these financial statements

State Flowthrough 27000	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Capital Improv. HB 33 31600	Capital Improv. SB 9 31700	Total
-	-	-	470,482	-	942,051
6,639	155,389	100,000	633,611	77,928	3,324,974
6,639	155,389	100,000	1,104,093	77,928	4,267,025
(6,639)	(155,389)	(100,000)	(470,482)	-	(3,288,117)
-	-	-	-	-	(25,626)
-	-	-	633,611	77,928	953,282
-	-	-	-	-	-
-	-	-	633,611	77,928	953,282
(1,171)	(51,797)	-	-	-	(695)
<u>(1,171)</u>	<u>(51,797)</u>	<u>-</u>	<u>633,611</u>	<u>77,928</u>	<u>952,587</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 463,658
Receivables	
Due from Other Governments	113,741
Prepays	9,045
Total Current Assets	<u>586,444</u>

Noncurrent Assets:

Capital Assets	
Construction-in-Process	12,350
Building Improvements	514,613
Furniture, Fixtures, and Equipment	37,474
Less: Accumulated Depreciation	(51,126)
Total Noncurrent Assets	<u>513,311</u>
Total Assets	<u>1,099,755</u>

LIABILITIES

Current Liabilities:

Accrued Liabilities	111,495
Unearned Revenue	6,780
Total Current Liabilities	<u>118,275</u>
Total Liabilities	<u>118,275</u>

NET POSITION

Investment in Capital Assets	513,311
Restricted	69,695
Unrestricted	398,474
Total Net Position	<u>\$ 981,480</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 1,054,661	-	119,451	-	(935,210)
Support Services:					
Students	178,024	-	-	-	(178,024)
Instruction	6,588	-	-	-	(6,588)
General Administration	18,479	-	-	-	(18,479)
School Administration	188,161	-	-	-	(188,161)
Central Services	176,662	-	-	-	(176,662)
Operation & Maintenance of Plant	324,154	-	-	281,254	(42,900)
Total Governmental Activities	\$ 1,946,729	-	119,451	281,254	(1,546,024)
		General Revenues:			
		State Equalization Guarantee			\$ 1,740,971
		Miscellaneous			142
		Total General Revenues			<u>1,741,113</u>
		Change in Net Position			195,089
		Net Position, Beginning			<u>786,391</u>
		Net Position, Ending			<u>\$ 981,480</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Balance Sheets - Governmental Funds
June 30, 2014

	<u>Operational 11000</u>	<u>Instructional Materials 14000</u>	<u>Food Services 21000</u>	<u>Title I IASA 24101</u>	<u>IDEA-B Entitlement 24106</u>
ASSETS					
Cash and Cash Equivalents	\$ 403,008	-	191	-	-
Accounts Receivable					
Due from Government	-	-	-	40,743	30,371
Due from Other Funds	113,741	-	-	-	-
Prepays	9,045	-	-	-	-
<i>Total Assets</i>	<u>\$ 525,794</u>	<u>-</u>	<u>191</u>	<u>40,743</u>	<u>30,371</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued Expenditures	\$ 111,495	-	-	-	-
Unearned Revenue	6,780	-	-	-	-
Due to Other Funds	-	-	-	40,743	30,371
Total Liabilities	<u>118,275</u>	<u>-</u>	<u>-</u>	<u>40,743</u>	<u>30,371</u>
Fund Balances					
Fund Balance:					
Non Spendable:					
Prepaid Expenditures	9,045	-	-	-	-
Restricted for:					
Food Services	-	-	191	-	-
Student Instruction	-	-	-	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	398,474	-	-	-	-
Total Fund Balances	<u>407,519</u>	<u>-</u>	<u>191</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 525,794</u>	<u>-</u>	<u>191</u>	<u>40,743</u>	<u>30,371</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Medicaid 25153	Intel Foundation 26116	Dual Credit Instructional Materials 27103	Library GO Bonds 2010 27106
-	-	3,587	568	-	-
367	4,840	-	-	390	1,359
-	-	-	-	-	-
-	-	-	-	-	-
<u>367</u>	<u>4,840</u>	<u>3,587</u>	<u>568</u>	<u>390</u>	<u>1,359</u>
-	-	-	-	-	-
-	-	-	-	-	-
367	4,840	-	-	390	1,359
<u>367</u>	<u>4,840</u>	<u>-</u>	<u>-</u>	<u>390</u>	<u>1,359</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,587	568	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>3,587</u>	<u>568</u>	<u>-</u>	<u>-</u>
<u>367</u>	<u>4,840</u>	<u>3,587</u>	<u>568</u>	<u>390</u>	<u>1,359</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Balance Sheets - Governmental Funds - Continued
June 30, 2014

	Private Direct Grants 29102	Bond Building 31100	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
ASSETS					
Cash and Cash Equivalents	\$ 74	-	-	56,230	463,658
Accounts Receivable					
Due from Government	-	5,671	30,000	-	113,741
Due from Other Funds	-	-	-	-	113,741
Prepays	-	-	-	-	9,045
<i>Total Assets</i>	<u>\$ 74</u>	<u>5,671</u>	<u>30,000</u>	<u>56,230</u>	<u>700,185</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accrued Expenditures	\$ -	-	-	-	111,495
Unearned Revenue	-	-	-	-	6,780
Due to Other Funds	-	5,671	30,000	-	113,741
Total Liabilities	<u>-</u>	<u>5,671</u>	<u>30,000</u>	<u>-</u>	<u>232,016</u>
Fund Balances					
Fund Balance:					
Non Spendable:					
Prepaid Expenditures	-	-	-	-	9,045
Restricted for:					
Food Services	-	-	-	-	191
Student Instruction	74	-	-	-	4,229
Capital Improvements	-	-	-	56,230	56,230
Assigned to:					
Subsequent Years Expenditures and Other Programs	-	-	-	-	398,474
Total Fund Balances	<u>74</u>	<u>-</u>	<u>-</u>	<u>56,230</u>	<u>468,169</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 74</u>	<u>5,671</u>	<u>30,000</u>	<u>56,230</u>	<u>700,185</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 468,169**

Net Position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	564,437	
Accumulated Depreciation	<u>(51,126)</u>	
		<u>513,311</u>
Net Position-Total Governmental Activities		<u><u>\$ 981,480</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ 547	-	-	-	-
State Grant	1,760,705	10,793	-	-	-
Federal Grant	-	-	-	40,743	30,371
Fees	142	-	-	-	-
Total Revenues	<u>1,761,394</u>	<u>10,793</u>	<u>-</u>	<u>40,743</u>	<u>30,371</u>
Expenditures:					
Current:					
Instruction	987,744	10,793	-	41,881	-
Support Services:					
Students	147,286	-	-	-	30,371
Instruction	5,229	-	-	-	-
General Administration	18,479	-	-	-	-
School Administration	180,766	-	-	-	-
Central Services	176,662	-	-	-	-
Operation & Maintenance of Plant	309,866	-	-	-	-
Capital Outlay	182,720	-	-	-	-
Total Expenditures	<u>2,008,752</u>	<u>10,793</u>	<u>-</u>	<u>41,881</u>	<u>30,371</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(247,358)</u>	<u>-</u>	<u>-</u>	<u>(1,138)</u>	<u>-</u>
Net Changes in Fund Balances	<u>(247,358)</u>	<u>-</u>	<u>-</u>	<u>(1,138)</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>654,877</u>	<u>-</u>	<u>191</u>	<u>1,138</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 407,519</u>	<u>-</u>	<u>191</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Medicaid 25153	Intel Foundation 26116	Dual Credit Instructional Materials 27103	Library GO Bonds 2010 27106
-	-	-	-	-	1,359
-	-	-	-	2,596	-
367	4,840	1,653	-	-	-
-	-	-	-	-	-
<u>367</u>	<u>4,840</u>	<u>1,653</u>	<u>-</u>	<u>2,596</u>	<u>1,359</u>
-	4,840	-	359	2,596	-
367	-	-	-	-	-
-	-	-	-	-	1,359
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>367</u>	<u>4,840</u>	<u>-</u>	<u>359</u>	<u>2,596</u>	<u>1,359</u>
-	-	1,653	(359)	-	-
-	-	1,653	(359)	-	-
-	-	1,934	927	-	-
<u>-</u>	<u>-</u>	<u>3,587</u>	<u>568</u>	<u>-</u>	<u>-</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances - Continued
Governmental Funds
For the Year Ended June 30, 2014

	Private Direct Grants 29102	Bond Building 31100	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
Revenues:					
Local & County Grant	\$ 6,448	64,854	-	48,200	121,408
State Grant	-	-	120,000	48,200	1,942,294
Federal Grant	-	-	-	-	77,974
Fees	-	-	-	-	142
Total Revenues	6,448	64,854	120,000	96,400	2,141,818
Expenditures:					
Current:					
Instruction	6,448	-	-	-	1,054,661
Support Services:					
Students	-	-	-	-	178,024
Instruction	-	-	-	-	6,588
General Administration	-	-	-	-	18,479
School Administration	-	-	-	-	180,766
Central Services	-	-	-	-	176,662
Operation & Maintenance of Plant	-	-	-	-	309,866
Capital Outlay	-	64,854	120,000	40,170	407,744
Total Expenditures	6,448	64,854	120,000	40,170	2,332,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	56,230	(190,972)
Net Changes in Fund Balances	-	-	-	56,230	(190,972)
Fund Balances - Beginning of Year	74	-	-	-	659,141
Fund Balances - End of Year	\$ 74	-	-	56,230	468,169

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ (190,972)**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	407,744	
Depreciation Expense	(21,683)	
	386,061	386,061

Change in Net Position-Total Governmental Activities **\$ 195,089**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Academy
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 81</u>
Total Assets	<u><u>\$ 81</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 81</u>
Total Liabilities	<u><u>\$ 81</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Academy
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 1,521	5,000	6,440	81
Total Assets	<u>\$ 1,521</u>	<u>5,000</u>	<u>6,440</u>	<u>81</u>
LIABILITIES				
Deposits Held for Others	\$ 1,521	5,000	6,440	81
Total Liabilities	<u>\$ 1,521</u>	<u>5,000</u>	<u>6,440</u>	<u>81</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Taos Academy Charter School's (TACS) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The TACS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The TACS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5-15 years
Buildings and Improvements	15-30 years

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	June 30, 2013	Additions	Deletions	June 30, 2014
<i>Capital Assets not being Depreciated:</i>				
Construction in Progress	\$ -	12,350	-	12,350
<i>Total</i>	-	12,350	-	12,350
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	37,474	-	-	37,474
Buildings and Improvements	119,219	395,394	-	514,613
<i>Total</i>	156,693	395,394	-	552,087
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(11,926)	(14,288)	-	(26,214)
Buildings and Improvements	(17,517)	(7,395)	-	(24,912)
<i>Total</i>	(29,443)	(21,683)	-	(51,126)
Capital Assets, Net	\$ 127,250	386,061	-	513,311

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Notes to the Financial Statements
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

School Administration	\$ 7,395
Operations/Plant Maintenance	<u>14,288</u>
Total	<u><u>\$ 21,683</u></u>

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The TACS leases facilities under short-term cancelable operating leases. Rental expense for the year was \$124,284.

NOTE 4. RELATED PARTIES

The Business Manager is also the Business Manager of Taos Integrated School of the Arts, La Tierra Montessori School for the Arts, McCurdy Charter School and Dream Dine Charter School.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	547	547
State Grant	1,720,506	1,760,904	1,760,705	(199)
Fees	-	-	142	142
Total Revenues	<u>1,720,506</u>	<u>1,760,904</u>	<u>1,761,394</u>	<u>490</u>
Expenditures:				
Current:				
Instruction	1,050,702	1,114,135	983,095	131,040
Support Services:				
Students	138,062	170,455	147,600	22,855
Instruction	5,370	12,649	5,229	7,420
General Administration	33,000	33,800	18,479	15,321
School Administration	171,900	192,382	181,236	11,146
Central Services	227,071	212,898	176,935	35,963
Operation & Maintenance of Plant	315,970	493,936	310,008	183,928
Capital Outlay	-	182,720	182,720	-
Total Expenditures	<u>1,942,075</u>	<u>2,412,975</u>	<u>2,005,302</u>	<u>407,673</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(221,569)</u>	<u>(652,071)</u>	<u>(243,908)</u>	<u>408,163</u>
Other Financing Sources (Uses):				
Designated Cash	221,569	652,071	-	(652,071)
Total Other Financing Sources (Uses):	<u>221,569</u>	<u>652,071</u>	<u>-</u>	<u>(652,071)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(243,908)</u>	<u>(243,908)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>654,877</u>	<u>654,877</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>410,969</u>	<u>410,969</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(3,450)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (247,358)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 8,661	10,793	10,793	-
Total Revenues	<u>8,661</u>	<u>10,793</u>	<u>10,793</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	8,661	10,793	10,793	-
Total Expenditures	<u>8,661</u>	<u>10,793</u>	<u>10,793</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Fees	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Food Services Operations	191	191	-	191
Total Expenditures	<u>191</u>	<u>191</u>	<u>-</u>	<u>191</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(191)</u>	<u>(191)</u>	<u>-</u>	<u>191</u>
Other Financing Sources (Uses):				
Designated Cash	191	191	-	(191)
Total Other Financing Sources (Uses):	<u>191</u>	<u>191</u>	<u>-</u>	<u>(191)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>191</u>	<u>191</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>191</u>	<u>191</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 37,037	40,743	-	(40,743)
Total Revenues	<u>37,037</u>	<u>40,743</u>	<u>-</u>	<u>(40,743)</u>
Expenditures:				
Current:				
Instruction	37,037	40,743	40,743	-
Total Expenditures	<u>37,037</u>	<u>40,743</u>	<u>40,743</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(40,743)	(40,743)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(40,743)</u>	<u>(40,743)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(40,743)</u>	<u>(40,743)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			40,743	
Adjustments to Expenditures			<u>(1,138)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (1,138)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 28,755	30,371	-	(30,371)
Total Revenues	<u>28,755</u>	<u>30,371</u>	<u>-</u>	<u>(30,371)</u>
Expenditures:				
Current:				
Support Services:				
Students	28,755	30,371	30,371	-
Total Expenditures	<u>28,755</u>	<u>30,371</u>	<u>30,371</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(30,371)	(30,371)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(30,371)</u>	<u>(30,371)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(30,371)</u>	<u>(30,371)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			30,371	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	367	-	(367)
Total Revenues	<u>-</u>	<u>367</u>	<u>-</u>	<u>(367)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	367	367	-
Total Expenditures	<u>-</u>	<u>367</u>	<u>367</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(367)	(367)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(367)</u>	<u>(367)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(367)</u>	<u>(367)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>367</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher and Principal Training 24154
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 8,249	15,726	-	(15,726)
Total Revenues	<u>8,249</u>	<u>15,726</u>	<u>-</u>	<u>(15,726)</u>
Expenditures:				
Current:				
Instruction	8,249	15,726	4,840	10,886
Total Expenditures	<u>8,249</u>	<u>15,726</u>	<u>4,840</u>	<u>10,886</u>
Deficiency of Revenues				
Under Expenditures	-	-	(4,840)	(4,840)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,840)</u>	<u>(4,840)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,840)</u>	<u>(4,840)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			4,840	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Medicaid 25153
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	1,653	1,653	-
Total Revenues	<u>-</u>	<u>1,653</u>	<u>1,653</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	3,587	-	3,587
Total Expenditures	<u>-</u>	<u>3,587</u>	<u>-</u>	<u>3,587</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(1,934)</u>	<u>1,653</u>	<u>3,587</u>
Other Financing Sources (Uses):				
Designated Cash	-	1,934	-	(1,934)
Total Other Financing Sources (Uses):	<u>-</u>	<u>1,934</u>	<u>-</u>	<u>(1,934)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,653</u>	<u>1,653</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>1,934</u>	<u>1,934</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,587</u>	<u>3,587</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,653</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Intel Foundation 26116
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Fees	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	927	359	568
Total Expenditures	<u>-</u>	<u>927</u>	<u>359</u>	<u>568</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(927)</u>	<u>(359)</u>	<u>568</u>
Other Financing Sources (Uses):				
Designated Cash	-	927	-	(927)
Total Other Financing Sources (Uses):	<u>-</u>	<u>927</u>	<u>-</u>	<u>(927)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(359)</u>	<u>(359)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>927</u>	<u>927</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>568</u>	<u>568</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (359)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Dual Credit Instructional Materials 27103
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	2,596	2,288	(308)
Total Revenues	<u>-</u>	<u>2,596</u>	<u>2,288</u>	<u>(308)</u>
Expenditures:				
Current:				
Instruction	-	2,596	2,596	-
Total Expenditures	<u>-</u>	<u>2,596</u>	<u>2,596</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(308)	(308)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(308)</u>	<u>(308)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(308)</u>	<u>(308)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			308	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Academy
 Schedule of Budgetary Comparisons - Budgetary Basis
 Library GO Bonds 2010 27106
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,360	1,360	-	(1,360)
Total Revenues	<u>1,360</u>	<u>1,360</u>	<u>-</u>	<u>(1,360)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	1,360	1,360	1,359	1
Total Expenditures	<u>1,360</u>	<u>1,360</u>	<u>1,359</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	-	-	(1,359)	(1,359)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,359)</u>	<u>(1,359)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,359)</u>	<u>(1,359)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,359	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	6,448	6,448	-
Total Revenues	<u>-</u>	<u>6,448</u>	<u>6,448</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	6,448	6,448	-
Total Expenditures	<u>-</u>	<u>6,448</u>	<u>6,448</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>74</u>	<u>74</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Bond Building 31100
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	569,806	59,183	(510,623)
Total Revenues	<u>-</u>	<u>569,806</u>	<u>59,183</u>	<u>(510,623)</u>
Expenditures:				
Capital Outlay	-	569,806	64,854	504,952
Total Expenditures	<u>-</u>	<u>569,806</u>	<u>64,854</u>	<u>504,952</u>
Deficiency of Revenues				
Under Expenditures	-	-	(5,671)	(5,671)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,671)</u>	<u>(5,671)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(5,671)</u>	<u>(5,671)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			5,671	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	120,000	90,000	(30,000)
Total Revenues	<u>-</u>	<u>120,000</u>	<u>90,000</u>	<u>(30,000)</u>
Expenditures:				
Capital Outlay	-	120,000	120,000	-
Total Expenditures	<u>-</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(30,000)	(30,000)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(30,000)</u>	<u>(30,000)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			30,000	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Budgetary Comparisons - Budgetary Basis
SB-9 Capital Improvements 31700
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Local & County Grant	\$ -	96,400	48,200	(48,200)
State Grant	3,622	7,824	48,200	40,376
Total Revenues	<u>3,622</u>	<u>104,224</u>	<u>96,400</u>	<u>(7,824)</u>
Expenditures:				
Capital Outlay	3,622	104,224	40,170	64,054
Total Expenditures	<u>3,622</u>	<u>104,224</u>	<u>40,170</u>	<u>64,054</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	56,230	56,230
Net Changes in Fund Balances	-	-	56,230	56,230
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>56,230</u>	<u>56,230</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 56,230</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Collateral Pledged by Depository For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Peoples Bank	FNR 2013-90 VA	3136AF6E9	9/25/2024	\$ 253,659
Peoples Bank	MBS FHLMC Gold 20 Yr.	3128CUPM2	9/1/2025	83,118
				<u>\$ 336,777</u>

Total Cash per Schedule of Cash Accounts:	\$ 491,317
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	241,317
Collateral Requirement:	120,659
Pledged Collateral Held by Pledging Financial Institution:	<u>336,777</u>
Balance Over Collateralized:	<u>216,119</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Peoples Bank</u>
Checking - Operational Account	\$ 491,236
Checking - Activity Account	<u>81</u>
<i>Total on Deposit</i>	491,317
Reconciling Items	<u>(27,578)</u>
Reconciled Balance June 30, 2014	<u>463,739</u>
Less: Agency Funds	<u>81</u>
<i>Total Cash</i>	<u><u>\$ 463,658</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Academy
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Activity Account 23000	Federal Project Accounts 24000
Cash, June 30, 2013	\$ 627,227	-	191	1,521	50
Add:					
2013-14 Revenues	1,761,394	10,793	-	5,000	-
Total Cash Available	2,388,621	10,793	191	6,521	50
Less:					
2013-14 Expenditures	(2,005,302)	(10,793)	-	(6,440)	(76,321)
Receivables/Payables	47,430	-	-	-	(50)
Outstanding Loans	(113,741)	-	-	-	76,321
Cash June 30, 2014	317,008	-	191	81	-
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	86,000	-	-	-	-
Cash per Books	403,008	-	191	81	-
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	4,511	-	-	(81)	-
Fund Balance , Modified Accrual Basis	\$ 407,519	-	191	-	-

The accompanying notes are an integral part of these financial statements

Federal Direct Account 25000	Local Grant Funds 26000	State Flow Through Fund 27000	Local or State Fund 29000	Bond Building 31100	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
1,934	927	-	74	-	-	-	631,924
1,653	-	2,288	6,448	59,183	90,000	96,400	2,033,159
3,587	927	2,288	6,522	59,183	90,000	96,400	2,665,083
-	(359)	(3,955)	(6,448)	(64,854)	(120,000)	(40,170)	(2,334,642)
-	-	(82)	-	-	-	-	47,298
-	-	1,749	-	5,671	30,000	-	-
3,587	568	-	74	-	-	56,230	377,739
-	-	-	-	-	-	-	86,000
3,587	568	-	74	-	-	56,230	463,739
Less: Activity Funds per Schedule of Changes in Assets and Liabilities:							(81)
Balance Sheets - Governmental Funds:							463,658
-	-	-	-	-	-	-	4,430
3,587	568	-	74	-	-	56,230	468,169

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$	617,139
Receivables		
Due from Other Governments		82,258
Deposits		6,000
Total Current Assets		<u>705,397</u>

Noncurrent Assets:

Capital Assets		
Furniture, Fixtures, and Equipment		93,443
Less: Accumulated Depreciation		(10,245)
Total Noncurrent Assets		<u>83,198</u>
Total Assets		<u>788,595</u>

LIABILITIES

Current Liabilities:

Accrued Liabilities		48,364
Total Current Liabilities		<u>48,364</u>
Total Liabilities		<u>48,364</u>

NET POSITION

Investment in Capital Assets		83,198
Restricted		111,402
Unrestricted		545,631
Total Net Position	\$	<u><u>740,231</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Activities
For the Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Instruction	\$ 613,301	7,142	100,148	-	(506,011)
Support Services:					
Students	74,983	-	-	-	(74,983)
Instruction	2,777	-	-	-	(2,777)
General Administration	26,040	-	-	-	(26,040)
School Administration	161,433	-	-	-	(161,433)
Central Services	90,984	-	-	-	(90,984)
Operation & Maintenance of Plant	139,801	-	-	-	(139,801)
Community Service Operations	7,059	-	-	-	(7,059)
Facilities Materials, Supplies & Other Services	131,331	-	-	212,849	81,518
Total Governmental Activities	\$ 1,247,709	7,142	100,148	212,849	(927,570)
General Revenues:					
State Equalization Guarantee					\$ 1,205,927
Total General Revenues					1,205,927
Change in Net Position					278,357
Net Position, Beginning					461,874
Net Position, Ending					\$ 740,231

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Charter School Planning 24146	Teacher and Principal Training 24154
ASSETS						
Cash and Cash Equivalents	\$ 511,737	23,884	-	-	-	-
Accounts Receivable						
Due from Government	-	-	30,065	2,400	-	4,382
Due from Other Funds	82,258	-	-	-	-	-
Deposits	6,000	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 599,995</u>	<u>23,884</u>	<u>30,065</u>	<u>2,400</u>	<u>-</u>	<u>4,382</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accrued Expenditures	\$ 48,364	-	-	-	-	-
Due to Other Funds	-	-	30,065	2,400	-	4,382
Total Liabilities	<u>48,364</u>	<u>-</u>	<u>30,065</u>	<u>2,400</u>	<u>-</u>	<u>4,382</u>
Fund Balances						
Fund Balance:						
Non Spendable:						
Deposits	6,000	-	-	-	-	-
Restricted for:						
Student Instruction	-	23,884	-	-	-	-
Capital Improvements	-	-	-	-	-	-
Assigned to:						
Subsequent Years Expenditure and Other Programs	545,631	-	-	-	-	-
Total Fund Balances	<u>551,631</u>	<u>23,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 599,995</u>	<u>23,884</u>	<u>30,065</u>	<u>2,400</u>	<u>-</u>	<u>4,382</u>

The accompanying notes are an integral part of these financial statements

Library GO Bonds 2010 27106	New Mexico Reads to Leads 27114	2010 GOB Instructional Materials 27171	Private Direct Grants 29102	Bond Building 31100	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total Government
-	-	-	-	-	-	81,518	617,139
1,306	16,771	1,066	-	-	26,268	-	82,258
-	-	-	-	-	-	-	82,258
-	-	-	-	-	-	-	6,000
<u>1,306</u>	<u>16,771</u>	<u>1,066</u>	<u>-</u>	<u>-</u>	<u>26,268</u>	<u>81,518</u>	<u>787,655</u>
-	-	-	-	-	-	-	48,364
1,306	16,771	1,066	-	-	26,268	-	82,258
<u>1,306</u>	<u>16,771</u>	<u>1,066</u>	<u>-</u>	<u>-</u>	<u>26,268</u>	<u>-</u>	<u>130,622</u>
-	-	-	-	-	-	-	6,000
-	-	-	-	-	-	-	23,884
-	-	-	-	-	-	81,518	81,518
-	-	-	-	-	-	-	545,631
-	-	-	-	-	-	81,518	657,033
<u>1,306</u>	<u>16,771</u>	<u>1,066</u>	<u>-</u>	<u>-</u>	<u>26,268</u>	<u>81,518</u>	<u>787,655</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Reconciliation of the Balance Sheets - Government Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 657,033**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	93,443	
Accumulated Depreciation	(10,245)	
		83,198
Net Position-Total Governmental Activities		<u><u>\$ 740,231</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30,2014

	Operational 11000	Instructional Materials 14000	Title I IASA 24101	IDEA-B Entitlement 24106	Charter School Planning 24146	Teacher and Principal Training 24154
Revenues:						
Local & County Grant	\$ 6,995	-	-	-	-	-
State Grant	1,205,927	9,963	-	-	-	-
Federal Grant	-	-	30,065	29,600	-	4,382
Charges for Services	7,142	-	-	-	-	-
Total Revenues	<u>1,220,064</u>	<u>9,963</u>	<u>30,065</u>	<u>29,600</u>	<u>-</u>	<u>4,382</u>
Expenditures:						
Current:						
Instruction	549,710	9,879	30,065	-	2,220	4,382
Support Services:						
Students	45,383	-	-	29,600	-	-
Instruction	405	-	-	-	-	-
General Administration	26,040	-	-	-	-	-
School Administration	161,433	-	-	-	-	-
Central Services	90,984	-	-	-	-	-
Operation & Maintenance of Plant	135,247	-	-	-	-	-
Community Service Operations	7,059	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>1,016,261</u>	<u>9,879</u>	<u>30,065</u>	<u>29,600</u>	<u>2,220</u>	<u>4,382</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>203,803</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>(2,220)</u>	<u>-</u>
Net Changes in Fund Balances	<u>203,803</u>	<u>84</u>	<u>-</u>	<u>-</u>	<u>(2,220)</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>347,828</u>	<u>23,800</u>	<u>-</u>	<u>-</u>	<u>2,220</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 551,631</u>	<u>23,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Library GO Bonds 2010 27106	New Mexico Reads to Leads 27114	2010 GOB Instructional Materials 27171	Private Direct Grants 29102	Bond Building 31100	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	-	-	-	24,309	-	83,467	114,771
1,306	16,771	1,066	-	-	105,073	-	1,340,106
-	-	-	-	-	-	-	64,047
-	-	-	-	-	-	-	7,142
<u>1,306</u>	<u>16,771</u>	<u>1,066</u>	<u>-</u>	<u>24,309</u>	<u>105,073</u>	<u>83,467</u>	<u>1,526,066</u>
-	16,771	-	274	-	-	-	613,301
-	-	-	-	-	-	-	74,983
1,306	-	1,066	-	-	-	-	2,777
-	-	-	-	-	-	-	26,040
-	-	-	-	-	-	-	161,433
-	-	-	-	-	-	-	90,984
-	-	-	-	-	-	-	135,247
-	-	-	-	-	-	-	7,059
-	-	-	-	24,309	105,073	1,949	131,331
<u>1,306</u>	<u>16,771</u>	<u>1,066</u>	<u>274</u>	<u>24,309</u>	<u>105,073</u>	<u>1,949</u>	<u>1,243,155</u>
-	-	-	(274)	-	-	81,518	282,911
-	-	-	(274)	-	-	81,518	282,911
-	-	-	274	-	-	-	374,122
-	-	-	-	-	-	81,518	657,033

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Government Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 282,911**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which depreciation exceeds capital outlay for the period.

Capital Outlays	-		
Depreciation Expense	(4,554)		(4,554)
Change in Net Position-Total Governmental Activities			<u><u>\$ 278,357</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 5,592</u>
Total Assets	<u><u>\$ 5,592</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 5,592</u>
Total Liabilities	<u><u>\$ 5,592</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 296	14,554	9,258	5,592
Total Assets	<u>\$ 296</u>	<u>14,554</u>	<u>9,258</u>	<u>5,592</u>
LIABILITIES				
Deposits Held for Others	\$ 296	14,554	9,258	5,592
Total Liabilities	<u>\$ 296</u>	<u>14,554</u>	<u>9,258</u>	<u>5,592</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Notes to the Financial Statements
 June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The Taos Integrated School of Art's (TISA) capitalization policy (i.e. the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The TISA does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The TISA utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 15-20 years

Capital assets for the TISA are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 93,443	-	-	93,443
Less: Accumulated Depreciation	(5,691)	(4,554i)	-	(10,245)
Capital Assets, Net	<u>\$ 87,752</u>	<u>(4,554)</u>	-	<u>83,198</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following function:

Operations/Plant Maintenance	\$ 4,554
Total	<u>\$ 4,554</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Notes to the Financial Statements
June 30, 2014**

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The TISA leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$105,073.

NOTE 4. RELATED PARTIES

The Business Manager is also the Business Manager of Taos Academy, La Tierra Montessori School for the Arts, McCurdy Charter School and Dream Dine Charter School.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	6,995	6,995
State Grant	1,044,124	1,205,927	1,205,927	-
Fees	-	-	7,142	7,142
Total Revenues	<u>1,044,124</u>	<u>1,205,927</u>	<u>1,220,064</u>	<u>14,137</u>
Expenditures:				
Current:				
Instruction	581,157	681,929	548,669	133,260
Support Services:				
Students	121,550	134,150	45,383	88,767
Instruction	4,000	4,000	405	3,595
General Administration	28,000	38,000	26,040	11,960
School Administration	149,590	193,267	161,433	31,834
Central Services	97,900	98,650	90,984	7,666
Operation & Maintenance of Plant	140,541	401,635	135,247	266,388
Community Service Operations	-	8,965	7,059	1,906
Total Expenditures	<u>1,122,738</u>	<u>1,560,596</u>	<u>1,015,220</u>	<u>545,376</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(78,614)</u>	<u>(354,669)</u>	<u>204,844</u>	<u>559,513</u>
Other Financing Sources (Uses):				
Designated Cash	78,614	354,669	-	(354,669)
Total Other Financing Sources (Uses):	<u>78,614</u>	<u>354,669</u>	<u>-</u>	<u>(354,669)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>204,844</u>	<u>204,844</u>
Cash or Fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>347,828</u>	<u>347,828</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>552,672</u>	<u>552,672</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(1,041)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 203,803</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 7,485	9,963	9,963	-
Total Revenues	<u>7,485</u>	<u>9,963</u>	<u>9,963</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	7,485	33,761	9,879	23,882
Total Expenditures	<u>7,485</u>	<u>33,761</u>	<u>9,879</u>	<u>23,882</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(23,798)</u>	<u>84</u>	<u>23,882</u>
Other Financing Sources (Uses):				
Designated Cash	-	23,798	-	(23,798)
Total Other Financing Sources (Uses):	<u>-</u>	<u>23,798</u>	<u>-</u>	<u>(23,798)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>84</u>	<u>84</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>23,800</u>	<u>23,800</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>23,884</u>	<u>23,884</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 84</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Schedule of Budgetary Comparisons - Budgetary Basis
 Title I IASA 24101
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 33,458	55,182	-	(55,182)
Total Revenues	<u>33,458</u>	<u>55,182</u>	<u>-</u>	<u>(55,182)</u>
Expenditures:				
Current:				
Instruction	33,458	55,182	30,065	25,117
Total Expenditures	<u>33,458</u>	<u>55,182</u>	<u>30,065</u>	<u>25,117</u>
Deficiency of Revenues				
Under Expenditures	-	-	(30,065)	(30,065)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(30,065)</u>	<u>(30,065)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(30,065)</u>	<u>(30,065)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			30,065	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 22,711	33,927	27,200	(6,727)
Total Revenues	<u>22,711</u>	<u>33,927</u>	<u>27,200</u>	<u>(6,727)</u>
Expenditures:				
Current:				
Support Services:				
Students	22,711	33,927	29,600	4,327
Total Expenditures	<u>22,711</u>	<u>33,927</u>	<u>29,600</u>	<u>4,327</u>
Deficiency of Revenues Under Expenditures	-	-	(2,400)	(2,400)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,400)</u>	<u>(2,400)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,400)</u>	<u>(2,400)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,400	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Charter School Planning 24146
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Operation of Non-Instructional Service	-	-	-	-
Community Service Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			(2,220)	
NET CHANGE IN FUND BALANCE			<u>\$ (2,220)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher and Principal Training 24154
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 7,360	19,185	-	(19,185)
Total Revenues	<u>7,360</u>	<u>19,185</u>	<u>-</u>	<u>(19,185)</u>
Expenditures:				
Current:				
Instruction	7,360	19,185	4,382	14,803
Total Expenditures	<u>7,360</u>	<u>19,185</u>	<u>4,382</u>	<u>14,803</u>
Deficiency of Revenues Under Expenditures	-	-	(4,382)	(4,382)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,382)</u>	<u>(4,382)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,382)</u>	<u>(4,382)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			4,382	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Library GO Bonds 2010 27106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 2,078	2,078	-	(2,078)
Total Revenues	<u>2,078</u>	<u>2,078</u>	<u>-</u>	<u>(2,078)</u>
Expenditures:				
Support Services:				
Instruction	2,078	2,078	1,306	772
Total Expenditures	<u>2,078</u>	<u>2,078</u>	<u>1,306</u>	<u>772</u>
Deficiency of Revenues				
Under Expenditures	-	-	(1,306)	(1,306)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(1,306)</u>	<u>(1,306)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(1,306)</u>	<u>(1,306)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,306	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Schedule of Budgetary Comparisons - Budgetary Basis
 New Mexico Reads to Leads 27114
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	50,083	-	(50,083)
Total Revenues	<u>-</u>	<u>50,083</u>	<u>-</u>	<u>(50,083)</u>
Expenditures:				
Current:				
Instruction	-	50,083	16,771	33,312
Total Expenditures	<u>-</u>	<u>50,083</u>	<u>16,771</u>	<u>33,312</u>
Deficiency of Revenues Under Expenditures	-	-	(16,771)	(16,771)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(16,771)</u>	<u>(16,771)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(16,771)</u>	<u>(16,771)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			16,771	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Schedule of Budgetary Comparisons - Budgetary Basis
 2010 GOB Instructional Materials 27171
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	12,226	-	(12,226)
Total Revenues	-	12,226	-	(12,226)
Current:				
Support Services:				
Instruction	-	12,226	1,066	11,160
Total Expenditures	-	12,226	1,066	11,160
Deficiency of Revenues Under Expenditures	-	-	(1,066)	(1,066)
Net Changes in Fund Balances	-	-	(1,066)	(1,066)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	\$ -	-	(1,066)	(1,066)
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,066	
NET CHANGE IN FUND BALANCE			\$ -	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Local & County Grant	\$ -	-	-	-
State Grant	-	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	-	-	-	-
Expenditures:				
Current:				
Instruction	-	274	274	-
Total Expenditures	-	274	274	-
Deficiency of Revenues Under Expenditures	-	(274)	(274)	-
Other Financing Sources (Uses):				
Designated Cash	-	274	-	(274)
Total Other Financing Sources (Uses):	-	274	-	(274)
Net Changes in Fund Balances	-	-	(274)	(274)
Cash or Fund Balances - Beginning of Year	-	-	274	274
Cash or Fund Balances - End of Year	\$ -	-	-	-
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (274)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Bond Building 31100
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	493,368	24,309	(469,059)
Total Revenues	<u>-</u>	<u>493,368</u>	<u>24,309</u>	<u>(469,059)</u>
Expenditures:				
Capital Outlay	-	493,368	24,309	469,059
Total Expenditures	<u>-</u>	<u>493,368</u>	<u>24,309</u>	<u>469,059</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	105,073	78,805	(26,268)
Total Revenues	<u>-</u>	<u>105,073</u>	<u>78,805</u>	<u>(26,268)</u>
Expenditures:				
Capital Outlay	-	105,073	105,073	-
Total Expenditures	<u>-</u>	<u>105,073</u>	<u>105,073</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(26,268)	(26,268)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(26,268)</u>	<u>(26,268)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(26,268)</u>	<u>(26,268)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			26,268	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Schedule of Budgetary Comparisons - Budgetary Basis
 SB-9 Capital Improvements 31700
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	83,467	83,467	-
State Grant	5,076	8,708	-	(8,708)
Total Revenues	<u>5,076</u>	<u>92,175</u>	<u>83,467</u>	<u>(8,708)</u>
Expenditures:				
Capital Outlay	5,076	92,175	1,949	90,226
Total Expenditures	<u>5,076</u>	<u>92,175</u>	<u>1,949</u>	<u>90,226</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	81,518	81,518
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>81,518</u>	<u>81,518</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>81,518</u>	<u>81,518</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 81,518</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Schedule of Collateral Pledged by Depository for Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Peoples Bank	MBS FHLMC Gold 15 Yr	3132G5AS8	5/1/2028	\$ 80,354
Peoples Bank	FNR 2013-90 VA	3136AF6E9	9/25/2024	50,732
Peoples Bank	MBS FNMA Conv	31418AGR3	7/1/1932	16,233
Peoples Bank	MBS FHLMC 20-Yr C90613	31335HVE0	1/1/2023	104,463
				<u>\$ 251,782</u>

Total Cash per Schedule of Cash Accounts:	\$ 641,074
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	391,074

Collateral Requirement:	195,537
Pledged Collateral Held by Pledging Financial Institution:	<u>251,782</u>
Balance Over Collateralized:	<u>56,245</u>

Balance Uninsured and Uncollateralized at June 30, 2014: \$ 139,292

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Taos Integrated School of the Arts
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Peoples Bank</u>
Checking - Operational Account	\$ 635,482
Checking - Student Activity Account	<u>5,592</u>
Total on Deposit	641,074
Reconciling Items	<u>(18,343)</u>
Reconciled Balance June 30, 2014	<u>622,731</u>
Less: Agency Funds	<u>(5,592)</u>
Total Cash	<u><u>\$ 617,139</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Taos Integrated School of the Arts
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Student Activity Account 23000	Federal Project Accounts 24000
Cash, June 30, 2013	\$ 308,064	23,798	296	-
Add:				
2013-14 revenues	1,220,064	9,965	14,554	27,200
Total Cash Available	1,528,128	33,763	14,850	27,200
Less:				
2013-14 Expenditures	(1,015,220)	(9,879)	(9,258)	(64,047)
Receivables/Payables	35,425	-	-	-
Outstanding Loans	(82,258)	-	-	36,847
Cash June 30, 2014	466,075	23,884	5,592	-
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	45,662	-	-	-
Cash Per Books	511,737	23,884	5,592	-
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	39,894	-	(5,592)	-
Fund Balance, Modified Accrual Basis	<u>\$ 551,631</u>	<u>23,884</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

State Flow Through Fund 27000	State or Local 29000	Bond Building 31100	Public Schools Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	274	-	-	-	332,434
-	-	24,309	78,805	83,467	1,458,362
-	274	24,309	78,805	83,467	1,790,796
(19,143)	(274)	(24,309)	(105,073)	(1,949)	(1,249,152)
-	-	-	-	-	35,425
19,143	-	-	26,268	-	-
-	-	-	-	81,518	577,069
-	-	-	-	-	45,662
-	-	-	-	81,518	622,731
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities:					(5,592)
Balance Sheets - Governmental Funds:					617,139
-	-	-	-	-	34,302
-	-	-	-	81,518	657,033

81,518

STATE OF NEW MEXICO

PUBLIC EDUCATION DEPARTMENT

Financial Statements
June 30, 2014

VOLUME X



AXIOM

*Certified Public Accountants
and Business Advisors LLC*

**STATE OF NEW MEXICO PUBLIC EDUCATION DEPARTMENT
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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 707,074
Receivables	
Due from Other Governments	47,829
Total Current Assets	<u>754,903</u>

Noncurrent Assets:

Capital Assets	
Land	290,000
Building	1,435,160
Less: Accumulated Depreciation	<u>(422,575)</u>
Total Noncurrent Assets	<u>1,302,585</u>

Total Assets	<u>2,057,488</u>
---------------------	------------------

LIABILITIES

Current Liabilities:

Accounts Payable	10,979
Accrued Liabilities	6,925
Unearned Revenue	750
Current Portion of Long-Term Debt	<u>1,294,059</u>
Total Current Liabilities	<u>1,312,713</u>

Total Liabilities	<u>1,312,713</u>
--------------------------	------------------

NET POSITION

Investment in Capital Assets	8,526
Restricted	340,593
Unrestricted	<u>395,656</u>
Total Net Position	<u>\$ 744,775</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 878,643	-	229,331	-	(649,312)
Support Services:					
Students	241,105	-	-	-	(241,105)
General Administration	125,510	-	-	-	(125,510)
School Administration	236,157	-	-	-	(236,157)
Central Services	46,783	-	-	-	(46,783)
Operation & Maintenance of Plant	290,108	-	-	-	(290,108)
Interest on Long-Term Debt	111,041	-	-	-	(111,041)
Facilities Materials, Supplies & Other Services	170,856	-	-	237,706	66,850
Total Governmental Activities	\$ 2,100,203	-	229,331	237,706	(1,633,166)
General Revenues:					
State Equalization Guarantee					\$ 1,741,734
Loss on Disposals of Capital Assets					(109,594)
Total General Revenues					<u>1,632,140</u>
Change in Net Position					(1,026)
Net Position-Beginning					575,441
Restatement (Note 6)					<u>170,360</u>
Net Position-Beginning, Restated					<u>745,801</u>
Net Position-Ending					<u>\$ 744,775</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11100	Instructional Materials 14000	IDEA-B Entitlement 24106	IDEA-B Results Plan 24138	CNM Foundation 26207
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 317,228	33,143	-	-	750
Accounts receivable					
Due from Government	-	-	11,620	3,004	-
Due from Other Funds	47,829	-	-	-	-
Total Assets	<u>365,057</u>	<u>33,143</u>	<u>11,620</u>	<u>3,004</u>	<u>750</u>
Total Assets	<u>\$ 365,057</u>	<u>33,143</u>	<u>11,620</u>	<u>3,004</u>	<u>750</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 10,979	-	-	-	-
Accrued Expenses	6,925	-	-	-	-
Unspent Grant Revenue	-	-	-	-	750
Due to Other Funds	-	-	11,620	3,004	-
Total Liabilities	<u>17,904</u>	<u>-</u>	<u>11,620</u>	<u>3,004</u>	<u>750</u>
<i>Fund Balances</i>					
Fund Balance:					
Restricted for:					
Instruction	-	33,143	-	-	-
Capital Improvements	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	347,153	-	-	-	-
Total Fund Balance	<u>347,153</u>	<u>33,143</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 365,057</u>	<u>33,143</u>	<u>11,620</u>	<u>3,004</u>	<u>750</u>

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

Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB 9 Capital Improvements 31700	Foundation	Total
-	291,167	16,283	48,503	707,074
33,205	-	-	-	47,829
-	-	-	-	47,829
<u>33,205</u>	<u>291,167</u>	<u>16,283</u>	<u>48,503</u>	<u>802,732</u>
<u>33,205</u>	<u>291,167</u>	<u>16,283</u>	<u>48,503</u>	<u>802,732</u>
-	-	-	-	10,979
-	-	-	-	6,925
-	-	-	-	750
<u>33,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,829</u>
<u>33,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,483</u>
-	-	-	-	33,143
-	291,167	16,283	-	307,450
-	-	-	48,503	395,656
-	291,167	16,283	48,503	736,249
<u>33,205</u>	<u>291,167</u>	<u>16,283</u>	<u>48,503</u>	<u>802,732</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Learning Community Charter School
 Reconciliation of the Balance Sheets- Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds **\$ 736,249**

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Capital Assets	1,725,160	
Accumulated Depreciation	(422,575)	
	1,302,585	

Long-term notes payable, are due in the current period and, therefore, are not reported in the funds.		(1,294,059)
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Net Position-Total Governmental Activities **\$ 744,775**

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11100	Instructional Materials 14000	IDEA-B Entitlement 24106	IDEA-B Results Plan 24138	CNM Foundation 26207
Revenues:					
Property Taxes	\$ -	-	-	-	-
State Grant	1,741,734	8,676	-	-	-
Federal Grant	-	-	21,113	8,661	-
Miscellaneous	2,533	-	-	-	-
Total Revenues	<u>1,744,267</u>	<u>8,676</u>	<u>21,113</u>	<u>8,661</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	869,224	758	-	8,661	-
Support Services:					
Students	219,992	-	21,113	-	-
General Administration	125,510	-	-	-	-
School Administration	236,157	-	-	-	-
Central Services	46,783	-	-	-	-
Operation & Maintenance of Plant	286,936	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	<u>1,784,602</u>	<u>758</u>	<u>21,113</u>	<u>8,661</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	<u>(40,335)</u>	<u>7,918</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>(40,335)</u>	<u>7,918</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - Beginning of Year	387,488	25,225	-	-	-
Restatement (Note 6)	-	-	-	-	-
Fund Balances - Restated	<u>387,488</u>	<u>25,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 347,153</u>	<u>33,143</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Public School Capital Outlay 31200	HB 33 Capital Improvements 31600	SB 9 Capital Improvements 31700	Foundation	Total
-	121,807	-	-	121,807
99,616	-	16,283	-	1,866,309
-	-	-	-	29,774
-	-	-	188,348	190,881
<u>99,616</u>	<u>121,807</u>	<u>16,283</u>	<u>188,348</u>	<u>2,208,771</u>
-	-	-	-	878,643
-	-	-	-	241,105
-	-	-	-	125,510
-	-	-	-	236,157
-	-	-	-	46,783
-	-	-	-	286,936
99,616	1,000	-	8,425	109,041
-	-	-	68,968	68,968
-	-	-	111,041	111,041
<u>99,616</u>	<u>1,000</u>	<u>-</u>	<u>188,434</u>	<u>2,104,184</u>
-	120,807	16,283	(86)	104,587
-	120,807	16,283	(86)	104,587
-	-	-	48,589	461,302
-	170,360	-	-	170,360
-	170,360	-	48,589	631,662
-	291,167	16,283	48,503	736,249

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Learning Community Charter School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 104,587**

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

Capital outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Depreciation Expense	(64,987)	
Loss on Disposal of Capital Assets	(109,594)	
	(174,581)	(174,581)

Repayment of long-term debt principal is an expenditure in the
 governmental funds, but the repayment reduces long-term liabilities in
 the Statement of Net Position.

68,968

Change in Net Position-Total Governmental Activities **\$ (1,026)**

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Learning Community Charter School
 Statement of Fiduciary Assets and Liabilities- Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 1,388</u>
Total Assets	<u><u>\$ 1,388</u></u>
LIABILITIES	
Deposits Held for Others	<u>\$ 1,388</u>
Total Liabilities	<u><u>\$ 1,388</u></u>

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

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 The Learning Community Charter School
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 3,693	3,981	6,286	1,388
Total Assets	<u>\$ 3,693</u>	<u>3,981</u>	<u>6,286</u>	<u>1,388</u>
 LIABILITIES				
Deposits Held for Others	\$ 3,693	3,981	6,286	1,388
Total Liabilities	<u>\$ 3,693</u>	<u>3,981</u>	<u>6,286</u>	<u>1,388</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received, applicable. 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. The Learning Community Charter School's (LCCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The LCCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The LCCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Building 40 years

NOTE 2. CAPITAL ASSETS

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

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<i>Capital Asset Not Being Depreciated:</i>				
Land	\$ 290,000	-	-	290,000
<i>Total</i>	<u>290,000</u>	<u>-</u>	<u>-</u>	<u>290,000</u>
<i>Capital Assets Being Depreciated:</i>				
Furniture, Fixtures, and Equipment	302,401	-	(302,401)	-
Buildings and Improvements	1,565,348	-	(130,188)	1,435,160
<i>Less: Accumulated Depreciation</i>	<u>(680,583)</u>	<u>(64,987)</u>	<u>322,995</u>	<u>(422,575)</u>
<i>Total</i>	<u>1,187,166</u>	<u>(64,987)</u>	<u>(109,594)</u>	<u>1,012,585</u>
Net Capital Assets	<u>\$ 1,477,166</u>	<u>(64,987)</u>	<u>(109,594)</u>	<u>1,302,585</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

NOTE 2. CAPITAL ASSETS (CONTINUED)

Depreciation expense for the year ended June 30, 2014 was expensed to the following functions:

Operations/Plant Maintenance	\$	3,172
Capital Outlay		61,815
Total	\$	64,987

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The LCCS leased facilities and equipment under short-term cancelable operating leases. Rental expense for the year ending June 30, 2014 was \$188,348. As of June 30, 2014, there were no future lease commitments. All lease agreements were terminated effective June 30, 2014.

B. Long-term debt

The LCCS's Foundation had outstanding long-term debt as of June 30, 2014 which consisted of a mortgage payable secured by a building. The Foundation's interest rate was 8% due in monthly installments of \$15,008. This debt was to mature in July 2023. However, due to the closing of the LCCS in June 30, 2014 the building reverted back to the lender in July 2014. The total amount owed at June 30, 2014 was \$1,294,059

NOTE 4. RELATED PARTY TRANSACTIONS

The Principal of the Learning Community Charter was also the President of the governing council for the Learning Community Foundation. The Foundation was presented as a blend component unit of the School. In addition, the School paid \$103,300 to a law firm to provide legal services during closure proceedings for the School. The law firm was owned by the spouse of the School's Principal.

NOTE 5. SUBSEQUENT EVENTS

The LCCS closed effective June 30, 2014. The LCCS transferred all equipment to other charter schools before the end of June 2014. The building and the land held by the Foundation reverted back to the lender subsequent to June 2014.

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014**

NOTE 6. PRIOR PERIOD ADJUSTMENT

Statement of Activities. Net position at June 30, 2014 was restated in the amount of \$170,360. This restatement was due to the incorrect classification of HB 33 property tax revenue as deferred revenue as presented in the prior year.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11100
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,741,734	1,741,734	1,741,734	-
Miscellaneous	1,000	1,000	2,533	1,533
Total Revenues	<u>1,742,734</u>	<u>1,742,734</u>	<u>1,744,267</u>	<u>1,533</u>
Expenditures:				
Current:				
Instruction	1,137,871	938,871	844,396	94,475
Support Services:				
Students	232,515	244,478	219,992	24,486
Instruction	-	-	-	-
General Administration	32,000	159,335	127,443	31,892
School Administration	247,333	256,900	236,157	20,743
Central Services	98,782	44,850	44,850	-
Operation & Maintenance of Plant	397,890	302,957	277,651	25,306
Other Support Services Operations	-	200,000	-	200,000
Total Expenditures	<u>2,146,391</u>	<u>2,147,391</u>	<u>1,750,489</u>	<u>396,902</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(403,657)</u>	<u>(404,657)</u>	<u>(6,222)</u>	<u>398,435</u>
Other Financing Sources (Uses):				
Operating Transfers	-	-	-	-
Designated Cash	403,657	404,657	-	(404,657)
Total Other Financing Sources (Uses):	<u>403,657</u>	<u>404,657</u>	<u>-</u>	<u>(404,657)</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(6,222)</u>	<u>(6,222)</u>
Cash or fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>387,488</u>	<u>387,488</u>
Cash or fund balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>381,266</u>	<u>381,266</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>(34,113)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (40,335)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State grant	\$ -	8,604	8,676	72
Total Revenues	<u>-</u>	<u>8,604</u>	<u>8,676</u>	<u>72</u>
Expenditures:				
Current:				
Instruction	-	8,604	758	7,846
Total expenditures	<u>-</u>	<u>8,604</u>	<u>758</u>	<u>7,846</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>7,918</u>	<u>7,918</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>7,918</u>	<u>7,918</u>
Cash or fund balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>25,225</u>	<u>25,225</u>
Cash or fund balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>33,143</u>	<u>33,143</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 7,918</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			<u>Variance Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	44,452	9,493	(34,959)
Total Revenues	<u>-</u>	<u>44,452</u>	<u>9,493</u>	<u>(34,959)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	44,452	21,113	23,339
Total expenditures	<u>-</u>	<u>44,452</u>	<u>21,113</u>	<u>23,339</u>
Deficiency of Revenues				
Under expenditures	-	-	(11,620)	(11,620)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(11,620)</u>	<u>(11,620)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(11,620)</u>	<u>(11,620)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			11,620	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Results Plan 24138
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal grant	\$ -	18,032	5,657	(12,375)
Total Revenues	<u>-</u>	<u>18,032</u>	<u>5,657</u>	<u>(12,375)</u>
Expenditures:				
Current:				
Instruction	-	18,032	8,661	9,371
Total Expenditures	<u>-</u>	<u>18,032</u>	<u>8,661</u>	<u>9,371</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(3,004)</u>	<u>(3,004)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(3,004)</u>	<u>(3,004)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(3,004)</u>	<u>(3,004)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>3,004</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
CNM Foundation 26207
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Miscellaneous	\$ -	-	750	750
Total Revenues	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Other Support Services Operations	-	-	-	-
Food Services Operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>750</u>	<u>750</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>750</u>	<u>750</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(750)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	132,821	66,411	(66,410)
Total Revenues	<u>-</u>	<u>132,821</u>	<u>66,411</u>	<u>(66,410)</u>
Expenditures:				
Capital outlay	-	132,821	99,616	33,205
Total expenditures	<u>-</u>	<u>132,821</u>	<u>99,616</u>	<u>33,205</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(33,205)</u>	<u>(33,205)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(33,205)</u>	<u>(33,205)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(33,205)</u>	<u>(33,205)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			<u>33,205</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
HB 33 Capital Improvements 31600
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Property Taxes	\$ 100,000	100,000	121,807	21,807
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>121,807</u>	<u>21,807</u>
Expenditures:				
Capital Outlay	226,000	226,000	1,000	225,000
Total Expenditures	<u>226,000</u>	<u>226,000</u>	<u>1,000</u>	<u>225,000</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(126,000)</u>	<u>(126,000)</u>	<u>120,807</u>	<u>246,807</u>
Other Financing Sources (Uses):				
Designated Cash	126,000	126,000	-	(126,000)
Total Other Financing Sources (Uses):	<u>126,000</u>	<u>126,000</u>	<u>-</u>	<u>(126,000)</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>120,807</u>	<u>120,807</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>170,360</u>	<u>170,360</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>291,167</u>	<u>291,167</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 120,807</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
SB 9 Capital Improvements 31700
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 55,335	59,079	16,283	(42,796)
Total Revenues	<u>55,335</u>	<u>59,079</u>	<u>16,283</u>	<u>(42,796)</u>
Expenditures:				
Current:				
Support Services:				
General Administration	469	469	-	469
Capital Outlay	54,866	58,610	-	58,610
Total Expenditures	<u>55,335</u>	<u>59,079</u>	<u>-</u>	<u>59,079</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>16,283</u>	<u>16,283</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>16,283</u>	<u>16,283</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>16,283</u>	<u>16,283</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 16,283</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo	FN AS0025 3.500%	3138W9A34	7/1/2043	\$ 233,163
				<u>\$ 233,163</u>

Total Cash per Schedule of Cash Accounts (Excluding Foundation):	\$ 685,975
Less: FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	435,975
Collateral Requirement:	217,988
Pledged Collateral Held by Pledging Financial Institution:	<u>233,163</u>
Balance Over Collateralized:	<u>\$ 15,175</u>
Balance uninsured and uncollateralized at June 30, 2014:	<u>\$ 202,812</u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Checking - Operational Account	\$ 684,587
Checking - Activity Account	1,388
Checking - Foundation	<u>48,503</u>
Total on Deposit	734,478
Reconciling Items	<u>(26,016)</u>
Reconciled Balance June 30, 2014	<u>708,462</u>
Less Agency Funds	<u>1,388</u>
Total Cash	<u><u>\$ 707,074</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
The Learning Community Charter School
Cash Reconciliation
June 30, 2014

	Operational 11100	Instructional Materials 14000	Non-Instruction 23000
Cash, June 30, 2013	\$ 351,819	25,225	3,693
Add:			
2013-14 revenues	1,744,267	8,676	3,981
Total Cash Available	2,096,086	33,901	7,674
Less:			
2013-14 expenditures	(1,750,489)	(758)	(6,286)
Receivables/Payables	-	-	-
Outstanding Loans	-	-	-
Cash June 30, 2014	345,597	33,143	1,388
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	(28,369)	-	-
Cash per Books	317,228	33,143	1,388
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	29,925	-	(1,388)
Fund Balance , Modified Accrual Basis	\$ 347,153	33,143	-

*Foundation is not required to be reported to PED, and is therefore not included in the cash report

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

Federal Flow Through 24000	Federal Direct Fund 26000	Public School Capital Outlay 31200	HB 33 Capital Improv 31600	SB 9 Capital Improvements 31700	Total
-	-	-	170,361	-	551,098
15,150	750	66,411	121,806	16,283	1,977,324
15,150	750	66,411	292,167	16,283	2,528,422
(29,774)	-	(99,616)	(1,000)	-	(1,887,923)
14,624	-	33,205	-	-	47,829
(14,624)	-	(33,205)	-	-	(47,829)
(14,624)	750	(33,205)	291,167	16,283	640,499
14,624	-	33,205	-	-	19,460
-	750	-	291,167	16,283	659,959
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities- Agency Fund:					(1,388)
* Foundation:					48,503
Balance Sheets - Governmental Funds:					<u>\$ 707,074</u>
-	(750)	-	-	-	27,787
-	-	-	291,167	16,283	687,746
* Foundation:					48,503
Balance Sheets - Governmental Funds:					<u>\$ 736,249</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets:

Cash	\$ 235,623
Receivables	
Due from Other Governments	187,337
Deposits	11,428
Total Current Assets	<u>434,388</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	61,558
Less: Accumulated Depreciation	<u>(30,116)</u>
Total Noncurrent Assets	<u>31,442</u>

Total Assets	<u>465,830</u>
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LIABILITIES

Current Liabilities:

Accrued Liabilities	<u>153,667</u>
Total Current Liabilities	<u>153,667</u>

Total Liabilities	<u>153,667</u>
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NET POSITION

Investment in Capital Assets	31,442
Restricted	29,297
Unrestricted	<u>251,424</u>

Total Net Position	<u>\$ 312,163</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Activities
For The Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Instruction	\$ 1,298,920	1,199	192,879	-	(1,104,842)
Support services:					
Students	194,749	-	45,202	-	(149,547)
Instruction	7,932	-	7,234	-	(698)
General Administration	75,153	-	-	-	(75,153)
School Administration	351,635	-	-	-	(351,635)
Central Services	75,821	-	-	-	(75,821)
Operation & Maintenance of Plant	170,606	-	-	-	(170,606)
Food Service Operations	76,177	22,079	54,098	-	-
Facilities Materials, Supplies & Other Services	177,855	-	-	177,855	-
Total Governmental Activities	\$ 2,428,848	23,278	299,413	177,855	(1,928,302)
General Revenues:					
State Equalization Guarantee					\$ 2,068,689
Total General Revenues					2,068,689
Change in Net Position					140,387
Net Position, Beginning					171,776
Net Position, Ending					\$ 312,163

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 217,702	5,287	-	-	-
Accounts Receivable					
Due from Government	-	-	-	-	9,632
Due from Other Funds	187,780	-	-	-	-
Deposit	11,428	-	-	-	-
<i>Total Assets</i>	<u>\$ 416,910</u>	<u>5,287</u>	<u>-</u>	<u>-</u>	<u>9,632</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accrued Expenditures	\$ 153,615	-	-	-	-
Due to Other Funds	-	-	-	-	9,632
<i>Total Liabilities</i>	<u>153,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,632</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Non Spendable:					
Deposit	11,428	-	-	-	-
Restricted for:					
Instruction	-	5,287	-	-	-
Student Support Services	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures & Other Programs	251,867	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
<i>Total Fund Balance (Deficit)</i>	<u>263,295</u>	<u>5,287</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ 416,910</u>	<u>5,287</u>	<u>-</u>	<u>-</u>	<u>9,632</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Medicaid 25152	2010 GO Bonds Student Library SB-1 27106	2012 GO Bond Student Library SB-66 27107	GOB Instructional Materials 27171	Next Gen Assessments 27185
-	52	3,821	-	-	-	-
89,335	6,438	-	72	2,599	1,981	4,635
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>89,335</u>	<u>6,490</u>	<u>3,821</u>	<u>72</u>	<u>2,599</u>	<u>1,981</u>	<u>4,635</u>
-	52	-	-	-	-	-
89,335	6,438	-	72	2,599	2,424	4,635
<u>89,335</u>	<u>6,490</u>	<u>-</u>	<u>72</u>	<u>2,599</u>	<u>2,424</u>	<u>4,635</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	3,821	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	(443)	-
-	-	3,821	-	-	(443)	-
<u>89,335</u>	<u>6,490</u>	<u>3,821</u>	<u>72</u>	<u>2,599</u>	<u>1,981</u>	<u>4,635</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Balance Sheets - Governmental Funds (Continued)
June 30, 2014

	Private Direct Grants 29102	McCune Charitable Foundation 29114	Public Schools Capital Outlay 31200	Special Capital Outlay State 31400	Total
ASSETS					
Cash and Cash Equivalents	\$ 124	8,637	-	-	235,623
Accounts Receivable					
Due from Government	-	-	35,070	37,575	187,337
Due from Other Funds	-	-	-	-	187,780
Deposit	-	-	-	-	11,428
<i>Total Assets</i>	<u>\$ 124</u>	<u>8,637</u>	<u>35,070</u>	<u>37,575</u>	<u>622,168</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accrued Expenditures	\$ -	-	-	-	153,667
Due to Other Funds	-	-	35,070	37,575	187,780
Total Liabilities	<u>-</u>	<u>-</u>	<u>35,070</u>	<u>37,575</u>	<u>341,447</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Non Spendable:					
Deposit	\$ -	-	-	-	11,428
Restricted for:					
Instruction	124	8,637	-	-	14,048
Student Support Services	-	-	-	-	3,821
Assigned to:					
Subsequent Years Expenditures & Other Programs	-	-	-	-	251,867
Unassigned (Deficit)	-	-	-	-	(443)
Total Fund Balance (Deficit)	<u>124</u>	<u>8,637</u>	<u>-</u>	<u>-</u>	<u>280,721</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ 124</u>	<u>8,637</u>	<u>35,070</u>	<u>37,575</u>	<u>622,168</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Reconciliation of the Balance Sheets - Governmental Funds
to Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 280,721**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	61,558	
Accumulated Depreciation	(30,116)	
	31,442	31,442

Net Position-Total Governmental Activities **\$ 312,163**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
Local & County Grant	\$ 1,570	-	-	-	-
State Grant	2,070,728	13,698	-	-	-
Federal Grant	-	-	54,098	66,548	40,130
Fees	1,199	-	22,079	-	-
Total Revenues	<u>2,073,497</u>	<u>13,698</u>	<u>76,177</u>	<u>66,548</u>	<u>40,130</u>
Expenditures:					
Current:					
Instruction	1,119,845	12,094	-	66,548	-
Support Services:					
Students	136,874	-	-	-	40,130
Instruction	698	-	-	-	-
General Administration	75,153	-	-	-	-
School Administration	351,635	-	-	-	-
Central Services	75,821	-	-	-	-
Operation & Maintenance of Plant	174,761	-	-	-	-
Food Services Operations	-	-	76,177	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,934,787</u>	<u>12,094</u>	<u>76,177</u>	<u>66,548</u>	<u>40,130</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>138,710</u>	<u>1,604</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>138,710</u>	<u>1,604</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>124,585</u>	<u>3,683</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - End of Year	<u>\$ 263,295</u>	<u>5,287</u>	<u>-</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Risk Pool 24120	Teacher and Principal Training 24154	Medicaid 25152	2010 GO Bonds Student Library SB-1 27106	2012 GO Bond Student Library SB-66 27107	GOB Instructional Materials 27171	Next Gen Assessments 27185
-	-	-	-	-	-	-
-	-	-	72	2,599	1,981	4,635
89,768	6,438	5,000	-	-	-	-
-	-	-	-	-	-	-
<u>89,768</u>	<u>6,438</u>	<u>5,000</u>	<u>72</u>	<u>2,599</u>	<u>1,981</u>	<u>4,635</u>
75,538	6,438	-	-	-	1,981	-
14,230	-	3,443	72	-	-	-
-	-	-	-	2,599	-	4,635
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>89,768</u>	<u>6,438</u>	<u>3,443</u>	<u>72</u>	<u>2,599</u>	<u>1,981</u>	<u>4,635</u>
-	-	1,557	-	-	-	-
-	-	1,557	-	-	-	-
-	-	2,264	-	-	(443)	-
-	-	3,821	-	-	(443)	-

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) (Continued)
Governmental Funds
For The Year Ended June 30, 2014

	Private Direct Grants 29102	McCune Charitable Foundation 29114	Public Schools Capital Outlay 31200	Special Capital Outlay State 31400	Total
Revenues:					
Local & County Grant	\$ 837	10,000	-	-	12,407
State Grant	-	-	140,280	37,575	2,271,568
Federal Grant	-	-	-	-	261,982
Fees	-	-	-	-	23,278
Total Revenues	<u>837</u>	<u>10,000</u>	<u>140,280</u>	<u>37,575</u>	<u>2,569,235</u>
Expenditures:					
Current:					
Instruction	713	15,763	-	-	1,298,920
Support Services:					
Students	-	-	-	-	194,749
Instruction	-	-	-	-	7,932
General Administration	-	-	-	-	75,153
School Administration	-	-	-	-	351,635
Central Services	-	-	-	-	75,821
Operation & Maintenance of Plant	-	-	-	-	174,761
Food Services Operations	-	-	-	-	76,177
Capital Outlay	-	-	140,280	37,575	177,855
Total Expenditures	<u>713</u>	<u>15,763</u>	<u>140,280</u>	<u>37,575</u>	<u>2,433,003</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>124</u>	<u>(5,763)</u>	<u>-</u>	<u>-</u>	<u>136,232</u>
Net Changes in Fund Balances	<u>124</u>	<u>(5,763)</u>	<u>-</u>	<u>-</u>	<u>136,232</u>
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>14,400</u>	<u>-</u>	<u>-</u>	<u>144,489</u>
Fund Balances (Deficit) - End of Year	<u>\$ 124</u>	<u>8,637</u>	<u>-</u>	<u>-</u>	<u>280,721</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 136,232**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the statement of net position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the statement of activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Capital Outlays	13,013	
Depreciation Expense	(8,858)	
	4,155	4,155
Change in Net Position-Total Governmental Activities		\$ 140,387

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	\$ 39,448
Total Assets	<u>\$ 39,448</u>
LIABILITIES	
Deposits Held for Others	\$ 39,448
Total Liabilities	<u>\$ 39,448</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For The Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 10,314	55,411	26,277	39,448
Total Assets	<u>\$ 10,314</u>	<u>55,411</u>	<u>26,277</u>	<u>39,448</u>
LIABILITIES				
Deposits Held for Others	\$ 10,314	55,411	26,277	39,448
Total Liabilities	<u>\$ 10,314</u>	<u>55,411</u>	<u>26,277</u>	<u>39,448</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Capital assets purchased or acquired are carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. Tierra Adentro’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. Tierra Adentro does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. Tierra Adentro utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, fixtures and equipment	5-10 years
-----------------------------------	------------

Capital assets for Tierra Adentro are recorded in the Statement of Net Position.

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
Furniture, fixtures and equipment	\$ 48,545	13,013	-	61,558
Less accumulated depreciation	(21,258)	(8,858)	-	(30,116)
Net Capital Assets	<u>\$ 27,287</u>	<u>4,155</u>	<u>-</u>	<u>31,442</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following function:

Operations/Plant Maintenance	<u>\$ 8,858</u>
Total	<u><u>\$ 8,858</u></u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Notes to the Financial Statements
June 30, 2014**

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

Tierra Adentro leases facilities under short-term cancelable operating leases. Rental expense for the year ended June 30, 2014 was \$155,144. Tierra Adentro's minimum future payments on this lease are as follows:

Year Ending June 30:	
2015	\$ 215,630
2016	<u>201,516</u>
Total operating lease payments	<u>\$ 417,146</u>

NOTE 4. DEFICIENT FUND BALANCE

The following fund had a deficient fund balance at June 30, 2014:

GOB Instructional Materials 27171 \$ (443)

Tierra Adentro is addressing the negative fund balance and is planning to take the appropriate actions to eliminate the negative balance.

NOTE 5. RELATED PARTIES

The business manager services are performed by the Vigil Group which performs services for multiple state charter schools.

The National Institute of Flamenco (NIF) subleases the property to Tierra Adentro. In addition to lease payments, Tierra Adentro paid NIF \$50,000 for marketing services during the year ended June 30, 2014. A contracted employee of Tierra Adentro is a board member of NIF.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	-	1,570	1,570
State Grant	1,986,999	2,066,672	2,070,728	4,056
Fees	-	-	1,199	1,199
Total Revenues	<u>1,986,999</u>	<u>2,066,672</u>	<u>2,073,497</u>	<u>6,825</u>
Expenditures:				
Current:				
Instruction	1,231,073	1,280,746	1,119,847	160,899
Support Services:				
Students	160,801	160,801	136,874	23,927
Instruction	16,000	16,000	697	15,303
General Administration	21,500	80,100	75,152	4,948
School Administration	325,725	350,725	351,635	(910)
Central Services	76,200	76,200	75,821	379
Operation & Maintenance of Plant	155,700	214,822	174,761	40,061
Total Expenditures	<u>1,986,999</u>	<u>2,179,394</u>	<u>1,934,787</u>	<u>244,607</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(112,722)</u>	<u>138,710</u>	<u>251,432</u>
Other Financing Sources (Uses):				
Designated Cash	-	112,722	-	(112,722)
Total Other Financing Sources (Uses):	<u>-</u>	<u>112,722</u>	<u>-</u>	<u>(112,722)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>138,710</u>	<u>138,710</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>124,585</u>	<u>124,585</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>263,295</u>	<u>263,295</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 138,710</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 10,960	14,642	17,381	2,739
Total Revenues	<u>10,960</u>	<u>14,642</u>	<u>17,381</u>	<u>2,739</u>
Expenditures:				
Current:				
Instruction	10,960	14,642	12,094	2,548
Total Expenditures	<u>10,960</u>	<u>14,642</u>	<u>12,094</u>	<u>2,548</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>5,287</u>	<u>5,287</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>5,287</u>	<u>5,287</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,287</u>	<u>5,287</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(3,683)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,604</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 35,000	89,500	60,530	(28,970)
Fees	-	-	22,079	22,079
Total Revenues	<u>35,000</u>	<u>89,500</u>	<u>82,609</u>	<u>(6,891)</u>
Expenditures:				
Current:				
Food Services Operations	35,000	89,500	76,177	13,323
Total Expenditures	<u>35,000</u>	<u>89,500</u>	<u>76,177</u>	<u>13,323</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>6,432</u>	<u>6,432</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,432</u>	<u>6,432</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(6,432)</u>	<u>(6,432)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(6,432)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 60,494	66,548	81,186	14,638
Total Revenues	<u>60,494</u>	<u>66,548</u>	<u>81,186</u>	<u>14,638</u>
Expenditures:				
Current:				
Instruction	60,494	66,548	66,548	-
Total Expenditures	<u>60,494</u>	<u>66,548</u>	<u>66,548</u>	<u>-</u>
Excess of Revenues Over Expenditures	-	-	14,638	14,638
Net Changes in Fund Balances	-	-	14,638	14,638
Cash or Fund Balances - Beginning of Year	-	-	(14,638)	(14,638)
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(14,638)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Entitlement 24106
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 37,786	40,130	44,750	4,620
Total Revenues	<u>37,786</u>	<u>40,130</u>	<u>44,750</u>	<u>4,620</u>
Expenditures:				
Current:				
Support Services:				
Students	37,786	40,130	40,130	-
Total Expenditures	<u>37,786</u>	<u>40,130</u>	<u>40,130</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>4,620</u>	<u>4,620</u>
 Net Changes in Fund Balances	 <u>-</u>	 <u>-</u>	 <u>4,620</u>	 <u>4,620</u>
 Cash or Fund Balances - Beginning of Year	 <u>-</u>	 <u>-</u>	 <u>(14,252)</u>	 <u>(14,252)</u>
 Cash or Fund Balances - End of Year	 <u>\$ -</u>	 <u>-</u>	 <u>(9,632)</u>	 <u>(9,632)</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(4,620)</u>	
 NET CHANGE IN FUND BALANCE			 <u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Budgetary Comparisons - Budgetary Basis
 IDEA-B Risk Pool 24120
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	89,768	39,110	(50,658)
Total Revenues	<u>-</u>	<u>89,768</u>	<u>39,110</u>	<u>(50,658)</u>
Expenditures:				
Current:				
Instruction	-	75,538	75,538	-
Support Services:				
Students	-	14,230	14,230	-
Total Expenditures	<u>-</u>	<u>89,768</u>	<u>89,768</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(50,658)</u>	<u>(50,658)</u>
 Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(50,658)</u>	<u>(50,658)</u>
 Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(38,677)</u>	<u>(38,677)</u>
 Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(89,335)</u>	<u>(89,335)</u>
 Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>50,658</u>	
 NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Budgetary Comparisons - Budgetary Basis
 Teacher and Principal Training 24154
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 7,043	9,157	3,880	(5,277)
Total Revenues	<u>7,043</u>	<u>9,157</u>	<u>3,880</u>	<u>(5,277)</u>
Expenditures:				
Current:				
Instruction	7,043	8,507	6,438	2,069
Support Services:				
School Administration	-	650	-	650
Total Expenditures	<u>7,043</u>	<u>9,157</u>	<u>6,438</u>	<u>2,719</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(2,558)</u>	<u>(2,558)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,558)</u>	<u>(2,558)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(3,880)</u>	<u>(3,880)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(6,438)</u>	<u>(6,438)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>2,558</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Budgetary Comparisons - Budgetary Basis
 Medicaid 25152
 For The Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	2,701	5,000	2,299
Total Revenues	<u>-</u>	<u>2,701</u>	<u>5,000</u>	<u>2,299</u>
Expenditures:				
Current:				
Support Services:				
Students	-	4,965	3,443	1,522
Total Expenditures	<u>-</u>	<u>4,965</u>	<u>3,443</u>	<u>1,522</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(2,264)</u>	<u>1,557</u>	<u>3,821</u>
Other Financing Sources (Uses):				
Designated Cash	-	2,264	-	(2,264)
Total Other Financing Sources (Uses):	<u>-</u>	<u>2,264</u>	<u>-</u>	<u>(2,264)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>1,557</u>	<u>1,557</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>2,264</u>	<u>2,264</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>3,821</u>	<u>3,821</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 1,557</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Budgetary Comparisons - Budgetary Basis
 2010 GO Bonds Student Library SB-1 27106
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 75	75	-	(75)
Total Revenues	<u>75</u>	<u>75</u>	<u>-</u>	<u>(75)</u>
Expenditures:				
Current:				
Support Services:				
Students	75	75	72	3
Total Expenditures	<u>75</u>	<u>75</u>	<u>72</u>	<u>3</u>
Deficiency of Revenues				
Under Expenditures	-	-	(72)	(72)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(72)</u>	<u>(72)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(72)</u>	<u>(72)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>72</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Budgetary Comparisons - Budgetary Basis
 2012 GO Bond Student Library SB-66 27107
 For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,226	3,226	-	(3,226)
Total Revenues	<u>3,226</u>	<u>3,226</u>	<u>-</u>	<u>(3,226)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	3,226	3,226	2,599	627
Total Expenditures	<u>3,226</u>	<u>3,226</u>	<u>2,599</u>	<u>627</u>
Deficiency of Revenues				
Under Expenditures	-	-	(2,599)	(2,599)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,599)</u>	<u>(2,599)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,599)</u>	<u>(2,599)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,599	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
GOB Instructional Materials 27171
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 8,000	8,000	8,958	958
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>8,958</u>	<u>958</u>
Expenditures:				
Current:				
Instruction	8,000	8,000	1,981	6,019
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>1,981</u>	<u>6,019</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>6,977</u>	<u>6,977</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>6,977</u>	<u>6,977</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(9,401)</u>	<u>(9,401)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,424)</u>	<u>(2,424)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(6,977)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Next Gen Assessments 27185
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	4,635	-	(4,635)
Total Revenues	<u>-</u>	<u>4,635</u>	<u>-</u>	<u>(4,635)</u>
Expenditures:				
Current:				
Support Services:				
Instruction	-	4,635	4,635	-
Total Expenditures	<u>-</u>	<u>4,635</u>	<u>4,635</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(4,635)	(4,635)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(4,635)</u>	<u>(4,635)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(4,635)</u>	<u>(4,635)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			4,635	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Private Direct Grants 29102
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	837	837	-
Total Revenues	<u>-</u>	<u>837</u>	<u>837</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	837	713	124
Total Expenditures	<u>-</u>	<u>837</u>	<u>713</u>	<u>124</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>124</u>	<u>124</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>124</u>	<u>124</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>124</u>	<u>124</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 124</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
McCune Charitable Foundation 29114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Local & County Grant	\$ -	10,000	10,000	-
Total Revenues	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	14,383	24,400	15,763	8,637
Total Expenditures	<u>14,383</u>	<u>24,400</u>	<u>15,763</u>	<u>8,637</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(14,383)</u>	<u>(14,400)</u>	<u>(5,763)</u>	<u>8,637</u>
Other Financing Sources (Uses):				
Designated Cash	14,383	14,400	-	(14,400)
Total Other Financing Sources (Uses):	<u>14,383</u>	<u>14,400</u>	<u>-</u>	<u>(14,400)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(5,763)</u>	<u>(5,763)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>14,400</u>	<u>14,400</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>8,637</u>	<u>8,637</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (5,763)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Public Schools Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	140,280	105,210	(35,070)
Total Revenues	<u>-</u>	<u>140,280</u>	<u>105,210</u>	<u>(35,070)</u>
Expenditures:				
Capital Outlay	-	140,280	140,280	-
Total Expenditures	<u>-</u>	<u>140,280</u>	<u>140,280</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(35,070)	(35,070)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(35,070)</u>	<u>(35,070)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(35,070)</u>	<u>(35,070)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			35,070	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Budgetary Comparisons - Budgetary Basis
Special Capital Outlay State 31400
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 50,000	50,000	-	(50,000)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Expenditures:				
Capital outlay	50,000	50,000	37,575	12,425
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>37,575</u>	<u>12,425</u>
Deficiency of Revenues				
Under Expenditures	-	-	(37,575)	(37,575)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(37,575)</u>	<u>(37,575)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(37,575)</u>	<u>(37,575)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			37,575	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
Wells Fargo Bank	FNMA-PT	3138NY4W2	2/1/2043	\$ 18,445
				<u>\$ 18,445</u>

Total Cash per Schedule of Cash Accounts:	\$ 278,880
Less : FDIC Coverage:	<u>(250,000)</u>
Uninsured Public Funds:	28,880
Collateral Requirement:	14,440
Pledged Collateral Held By Pledging Financial Institution:	<u>18,445</u>
Balance Over Collateralized:	<u>4,005</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	<u>\$ 10,435</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Tierra Adentro
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Wells Fargo</u>
Checking - Operational Account	\$ 278,880
<i>Total on Deposit</i>	278,880
Reconciling Items	<u>(3,809)</u>
<i>Reconciled Balance June 30, 2014</i>	<u>275,071</u>
Less Agency Funds	<u>39,448</u>
<i>Total Cash</i>	<u><u>\$ 235,623</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Tierra Adentro
Cash Reconciliation
June 30, 2014

	<u>Operational</u> <u>11000</u>	<u>Instructional</u> <u>Materials</u> <u>14000</u>	<u>Food</u> <u>Services</u> <u>21000</u>	<u>Activity</u> <u>Account</u> <u>23000</u>
Cash, June 30, 2013	\$ 160,452	-	-	10,314
Add:				
2013-14 Revenues	<u>2,073,497</u>	<u>17,381</u>	<u>82,609</u>	<u>55,411</u>
Total Cash Available	2,233,949	17,381	82,609	65,725
Less:				
2013-14 Expenditures	(1,934,787)	(12,094)	(76,177)	(26,277)
Receivables/Payables	-	(3,683)	(6,432)	-
Adjustments	106,320	3,683	-	-
Outstanding Loans	<u>(187,780)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>217,702</u>	<u>5,287</u>	<u>-</u>	<u>39,448</u>
Fund Balance Reconciliations to GAAP Basis:				
Audit Reclassifications to Cash	-	-	-	-
Cash per Books	<u>217,702</u>	<u>5,287</u>	<u>-</u>	<u>39,448</u>
Fund Balance Reconciliation to GAAP Basis:				
Modified Accrual Adjustments	<u>(35,867)</u>	<u>-</u>	<u>(6,432)</u>	<u>(39,448)</u>
Fund Balance (Deficit), Modified Accrual Basis	<u>\$ 263,295</u>	<u>5,287</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Flowthrough Fund 24000	Federal Direct Account 25000	State Flow- Through Fund 27000	Local or State Fund 29000	Public School Capital Outlay 31200	Special Capital Outlay - State 31400	Total
-	2,264	-	14,400	-	-	187,430
168,926	5,000	8,958	10,837	105,210	-	2,527,829
168,926	7,264	8,958	25,237	105,210	-	2,715,259
(202,884)	(3,443)	(9,287)	(16,476)	(140,280)	(37,575)	(2,459,280)
(71,395)	-	(8,958)	-	-	-	(90,468)
-	-	(443)	-	-	-	109,560
105,405	-	9,730	-	35,070	37,575	-
52	3,821	-	8,761	-	-	275,071
-	-	-	-	-	-	-
52	3,821	-	8,761	-	-	275,071
Less Activity Funds per Schedule Change in Assets and Liabilities - Agency Funds:						39,448
Balance Sheets - Governmental Funds						<u>\$ 235,623</u>
33,958	-	(114)	-	35,070	37,575	24,742
-	3,821	(443)	8,761	-	-	280,721

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets

Cash	\$ 223,535
Receivables	
Due from Other Governments	119,156
Total Current Assets	<u>342,691</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	18,835
Playground Equipment	42,128
Less: Accumulated Depreciation	(8,668)
Total Noncurrent Assets	<u>52,295</u>
Total Assets	<u>394,986</u>

LIABILITIES

Current Liabilities

Accounts Payable	111,368
Accrued Liabilities	104,817
Total Current Liabilities	<u>216,185</u>
Total Liabilities	<u>216,185</u>

NET POSITION

Investment in Capital Assets	52,295
Restricted	53,906
Unrestricted	72,600
Total Net Position	<u>\$ 178,801</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 882,432	-	132,648	-	(749,784)
Support Services:					
Students	111,490	-	-	-	(111,490)
Instruction	7,063	-	-	-	(7,063)
General Administration	40,336	-	-	-	(40,336)
School Administration	166,161	-	-	-	(166,161)
Central Services	117,185	-	-	-	(117,185)
Operation & Maintenance of Plant	142,466	-	-	-	(142,466)
Student Transportation	56,232	-	56,232	-	-
Food Services	57,735	15,669	36,544	-	(5,522)
Facilities Materials, Supplies & Other Services	40,746	-	-	82,874	42,128
Total Governmental Activities	\$ 1,621,846	15,669	225,424	82,874	(1,297,879)
			General Revenues:		
			State Equalization Guarantee	\$ 1,352,126	
			Total General Revenues	<u>1,352,126</u>	
			Change in Net Position		54,247
			Net Position, Beginning		<u>124,554</u>
			Net Position, Ending		<u>\$ 178,801</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS					
Cash and Cash Equivalents	\$ 94,375	118,330	10,830	-	-
Accounts Receivable					
Due from Government	-	-	-	4,964	22,198
Due from Other Funds	100,641	-	-	-	-
<i>Total Assets</i>	<u>\$ 195,016</u>	<u>118,330</u>	<u>10,830</u>	<u>4,964</u>	<u>22,198</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 18,569	77,919	-	-	14,880
Accrued Expenditures	103,847	-	-	793	177
Due to Other Funds	-	-	-	1,759	7,141
Total Liabilities	<u>122,416</u>	<u>77,919</u>	<u>-</u>	<u>2,552</u>	<u>22,198</u>
<i>Fund Balances</i>					
Fund Balance:					
Restricted for:					
Student Transportation	-	40,411	-	-	-
Instruction	-	-	10,830	-	-
Food Service Operations	-	-	-	2,412	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	72,600	-	-	-	-
Total Fund Balances	<u>72,600</u>	<u>40,411</u>	<u>10,830</u>	<u>2,412</u>	<u>-</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 195,016</u>	<u>118,330</u>	<u>10,830</u>	<u>4,964</u>	<u>22,198</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154	Public School Capital Outlay 31200	Total
-	-	-	-	-	223,535
8,188	25,442	52,448	5,916	-	119,156
-	-	-	-	-	100,641
<u>8,188</u>	<u>25,442</u>	<u>52,448</u>	<u>5,916</u>	<u>-</u>	<u>443,332</u>
-	-	-	-	-	111,368
-	-	-	-	-	104,817
8,188	25,442	52,448	5,663	-	100,641
<u>8,188</u>	<u>25,442</u>	<u>52,448</u>	<u>5,663</u>	<u>-</u>	<u>316,826</u>
-	-	-	-	-	40,411
-	-	-	253	-	11,083
-	-	-	-	-	2,412
-	-	-	-	-	72,600
-	-	-	253	-	126,506
<u>8,188</u>	<u>25,442</u>	<u>52,448</u>	<u>5,916</u>	<u>-</u>	<u>443,332</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
Governmental Funds
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 126,506**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	60,963	
Accumulated Depreciation	(8,668)	
	52,295	52,295

Net Position-Total Governmental Activities **\$ 178,801**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
Revenues:					
State Grant	\$ 1,352,126	56,232	9,250	-	-
Federal Grant	-	-	-	36,544	25,855
Charges for Services	-	-	-	15,669	-
Total Revenues	<u>1,352,126</u>	<u>56,232</u>	<u>9,250</u>	<u>52,213</u>	<u>25,855</u>
Expenditures:					
Current:					
Instruction	769,843	-	6,252	-	25,855
Support Services:					
Students	78,107	-	-	-	-
Instruction	5,138	-	-	-	-
General Administration	40,336	-	-	-	-
School Administration	165,501	-	-	-	-
Central Services	116,629	-	-	-	-
Operation & Maintenance of Plant	135,863	-	-	-	-
Student Transportation	-	56,232	-	-	-
Food Services Operations	2,849	-	-	51,189	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>1,314,266</u>	<u>56,232</u>	<u>6,252</u>	<u>51,189</u>	<u>25,855</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>37,860</u>	<u>-</u>	<u>2,998</u>	<u>1,024</u>	<u>-</u>
Net Changes in Fund Balances	<u>37,860</u>	<u>-</u>	<u>2,998</u>	<u>1,024</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>34,740</u>	<u>40,411</u>	<u>7,832</u>	<u>1,388</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 72,600</u>	<u>40,411</u>	<u>10,830</u>	<u>2,412</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	IDEA-B Risk Pool 24120	Federal Charter School Planning 24146	Teacher Principal Training 24154	Public School Capital Outlay 31200	Total
-	-	-	-	82,874	1,500,482
19,526	25,686	46,415	5,916	-	159,942
-	-	-	-	-	15,669
<u>19,526</u>	<u>25,686</u>	<u>46,415</u>	<u>5,916</u>	<u>82,874</u>	<u>1,676,093</u>
-	12,445	57,520	4,774	-	876,689
19,526	13,241	616	-	-	111,490
-	-	1,925	-	-	7,063
-	-	-	-	-	40,336
-	-	660	-	-	166,161
-	-	-	556	-	117,185
-	-	6,603	-	-	142,466
-	-	-	-	-	56,232
-	-	3,697	-	-	57,735
-	-	-	-	82,874	82,874
<u>19,526</u>	<u>25,686</u>	<u>71,021</u>	<u>5,330</u>	<u>82,874</u>	<u>1,658,231</u>
-	-	(24,606)	586	-	17,862
-	-	(24,606)	586	-	17,862
-	-	24,606	(333)	-	108,644
-	-	-	253	-	126,506

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 17,862**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period

Capital Outlays	42,128	
Depreciation Expense	(5,743)	
	36,385	36,385

Change in Net Position-total Governmental Activities **\$ 54,247**

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Uplift Community School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 70</u>
Total Assets	<u><u>\$ 70</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 70</u>
Total Liabilities	<u><u>\$ 70</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Uplift Community School
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 1,531	3,234	4,695	70
Total Assets	<u>\$ 1,531</u>	<u>3,234</u>	<u>4,695</u>	<u>70</u>
LIABILITIES				
Deposits Held for Others	\$ 1,531	3,234	4,695	70
Total Liabilities	<u>\$ 1,531</u>	<u>3,234</u>	<u>4,695</u>	<u>70</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The State’s capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The Uplift Community School (UCS) does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The UCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment	5 years
Playground Equipment	20 years

NOTE 2. CAPITAL ASSETS

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

	<u>Balance</u> <u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	18,835	-	-	18,835
Playground Equipment	-	42,128	-	42,128
<i>Total</i>	<u>18,835</u>	<u>42,128</u>	<u>-</u>	<u>60,963</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(2,925)	(3,767)	-	(6,692)
Playground Equipment	-	(1,976)	-	(1,976)
<i>Total</i>	<u>(2,925)</u>	<u>(5,743)</u>	<u>-</u>	<u>(8,668)</u>
Capital Assets, Net	<u>\$ 15,910</u>	<u>36,385</u>	<u>-</u>	<u>52,295</u>

Depreciation expensed for the year ended June 30, 2014 was expensed to the following functions:

Instruction	\$ 1,976
Operations/Plant Maintenance	<u>3,767</u>
Total	<u>\$ 5,743</u>

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Uplift Community School
 Notes to the Financial Statements
 June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

Leases

The UCS leased facilities under long-term cancelable operating leases. Rent expense for the year ended June 30, 2014 was \$102,073. The USC's minimum future payments on this lease are as follows:

Year Ending June 30:

2015	\$	128,400
2016		147,000
2017		164,400
2018		1,500
Total	\$	<u>441,300</u>

NOTE 4. OVERSPENT BUDGET LINE ITEMS

As stated in finding 2014-004, the Uplift Community School had expended in excess of the budget in the following fund:

Federal Charter School Planning 24146

Support Services	\$	4,205
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NOTE 5. RELATED PARTIES

The Business Manager services are performed by the Vigil Group, which performed services for multiple state charter schools.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 1,272,004	1,351,677	1,352,126	449
Total Revenues	<u>1,272,004</u>	<u>1,351,677</u>	<u>1,352,126</u>	<u>449</u>
Expenditures:				
Current:				
Instruction	818,172	806,389	768,877	37,512
Support Services:				
Students	44,250	78,713	74,058	4,655
Instruction	6,200	9,460	7,027	2,433
General Administration	34,954	40,102	39,554	548
School Administration	140,212	172,962	165,688	7,274
Central Services	85,500	131,840	122,803	9,037
Operation & Maintenance of Plant	132,716	156,792	135,405	21,387
Food Services Operations	10,000	10,000	2,126	7,874
Total Expenditures	<u>1,272,004</u>	<u>1,406,258</u>	<u>1,315,538</u>	<u>90,720</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(54,581)</u>	<u>36,588</u>	<u>91,169</u>
Net Changes in Fund Balances	<u>-</u>	<u>(54,581)</u>	<u>36,588</u>	<u>91,169</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>132,176</u>	<u>-</u>	<u>(132,176)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>77,595</u>	<u>36,588</u>	<u>(41,007)</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>1,272</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 37,860</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Pupil Transportation 13000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 103,127	134,151	134,151	-
Total Revenues	<u>103,127</u>	<u>134,151</u>	<u>134,151</u>	<u>-</u>
Expenditures:				
Current:				
Student Transportation	103,127	170,074	56,232	113,842
Total Expenditures	<u>103,127</u>	<u>170,074</u>	<u>56,232</u>	<u>113,842</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>(35,923)</u>	<u>77,919</u>	<u>113,842</u>
Net Changes in Fund Balances	<u>-</u>	<u>(35,923)</u>	<u>77,919</u>	<u>113,842</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>80,823</u>	<u>-</u>	<u>(80,823)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>44,900</u>	<u>77,919</u>	<u>33,019</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(77,919)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 5,456	5,456	9,250	3,794
Total Revenues	<u>5,456</u>	<u>5,456</u>	<u>9,250</u>	<u>3,794</u>
Expenditures:				
Current:				
Instruction	13,262	13,262	6,252	7,010
Total Expenditures	<u>13,262</u>	<u>13,262</u>	<u>6,252</u>	<u>7,010</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(7,806)</u>	<u>(7,806)</u>	<u>2,998</u>	<u>10,804</u>
Net Changes in Fund Balances	<u>(7,806)</u>	<u>(7,806)</u>	<u>2,998</u>	<u>10,804</u>
Cash or Fund Balances - Beginning of Year	<u>7,806</u>	<u>7,806</u>	<u>-</u>	<u>(7,806)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,998</u>	<u>2,998</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 2,998</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 20,000	36,901	36,213	(688)
Charges for Services	12,000	16,390	14,732	(1,658)
Total Revenues	<u>32,000</u>	<u>53,291</u>	<u>50,945</u>	<u>(2,346)</u>
Expenditures:				
Current:				
Food Services Operations	32,000	55,123	51,633	3,490
Total Expenditures	<u>32,000</u>	<u>55,123</u>	<u>51,633</u>	<u>3,490</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(1,832)	(688)	1,144
Net Changes in Fund Balances	<u>-</u>	<u>(1,832)</u>	<u>(688)</u>	<u>1,144</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>4,694</u>	<u>4,694</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>2,862</u>	<u>4,006</u>	<u>1,144</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			1,268	
Adjustments to Expenditures			<u>444</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 1,024</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 23,370	72,586	3,657	(68,929)
Total Revenues	<u>23,370</u>	<u>72,586</u>	<u>3,657</u>	<u>(68,929)</u>
Expenditures:				
Current:				
Instruction	10,234	59,450	10,975	48,475
Support Services:				
Instruction	13,136	13,136	-	13,136
Total Expenditures	<u>23,370</u>	<u>72,586</u>	<u>10,975</u>	<u>61,611</u>
Deficiency of Revenues Under Expenditures	-	-	(7,318)	(7,318)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,318)</u>	<u>(7,318)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,318)</u>	<u>(7,318)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			22,198	
Adjustments to Expenditures			(14,880)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Entitlement IDEA-B 24106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	19,915	11,338	(8,577)
Total Revenues	<u>-</u>	<u>19,915</u>	<u>11,338</u>	<u>(8,577)</u>
Expenditures:				
Current:				
Support Services:				
Students	-	19,915	19,526	389
Total Expenditures	<u>-</u>	<u>19,915</u>	<u>19,526</u>	<u>389</u>
Deficiency of Revenues Under Expenditures	-	-	(8,188)	(8,188)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(8,188)</u>	<u>(8,188)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(8,188)</u>	<u>(8,188)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			8,188	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Risk Pool 24120
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ -	25,687	244	(25,443)
Total Revenues	<u>-</u>	<u>25,687</u>	<u>244</u>	<u>(25,443)</u>
Expenditures:				
Current:				
Instruction	-	12,445	12,445	-
Support Services:				
Students	-	13,242	13,241	1
Total Expenditures	<u>-</u>	<u>25,687</u>	<u>25,686</u>	<u>1</u>
Deficiency of Revenues Under Expenditures	-	-	(25,442)	(25,442)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(25,442)</u>	<u>(25,442)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(25,442)</u>	<u>(25,442)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			25,442	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter School Planning 24146
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	73,925	204,916	130,991
Total Revenues	<u>-</u>	<u>73,925</u>	<u>204,916</u>	<u>130,991</u>
Expenditures:				
Current:				
Instruction	-	59,543	58,905	638
Support Services:				
Students	-	321	937	(616)
Instruction	-	3,000	1,925	1,075
School Administration	-	1,462	2,122	(660)
Operation & Maintenance of Plant	-	2,599	6,603	(4,004)
Food Services Operations	-	7,000	3,697	3,303
Total Expenditures	<u>-</u>	<u>73,925</u>	<u>74,189</u>	<u>(264)</u>
<i>Excess of Revenues</i>				
<i>Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>130,727</u>	<u>130,727</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>130,727</u>	<u>130,727</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>24,606</u>	<u>24,606</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>155,333</u>	<u>155,333</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(158,501)	
Adjustments to Expenditures			<u>3,168</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (24,606)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Budgetary Comparisons - Budgetary Basis
Teacher Principal Training 24154
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 5,282	10,397	3,254	(7,143)
Total Revenues	<u>5,282</u>	<u>10,397</u>	<u>3,254</u>	<u>(7,143)</u>
Expenditures:				
Current:				
Instruction	3,782	7,397	5,107	2,290
Support Services:				
School Administration	1,000	1,000	-	1,000
Central Services	500	2,000	556	1,444
Total Expenditures	<u>5,282</u>	<u>10,397</u>	<u>5,663</u>	<u>4,734</u>
Deficiency of Revenues Under Expenditures	-	-	(2,409)	(2,409)
Net Changes in Fund Balances	-	-	(2,409)	(2,409)
Cash or Fund Balances - Beginning of Year	-	-	-	-
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,409)</u>	<u>(2,409)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,662	
Adjustments to Expenditures			333	
NET CHANGE IN FUND BALANCE			<u>\$ 586</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Uplift Community School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public School Capital Outlay 31200
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 82,874	82,874	106,364	23,490
Total Revenues	<u>82,874</u>	<u>82,874</u>	<u>106,364</u>	<u>23,490</u>
Expenditures:				
Capital Outlay	82,874	82,874	82,874	-
Total Expenditures	<u>82,874</u>	<u>82,874</u>	<u>82,874</u>	<u>-</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>23,490</u>	<u>23,490</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>23,490</u>	<u>23,490</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(23,490)</u>	<u>(23,490)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(23,490)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	227,785
Less: FDIC Coverage:		<u>(227,785)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		-
Balance (Over) Under Collateralized:		<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Uplift Community School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>Bank of Colorado</u>
Checking - Operational Account	\$ <u>227,785</u>
Total on Deposit	227,785
Reconciling Items	<u>(4,180)</u>
Reconciled Balance June 30, 2014	<u>223,605</u>
Less: Agency Funds	<u>(70)</u>
Total Cash	<u>\$ 223,535</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Uplift Community School
Cash Reconciliation
June 30, 2014

	Operational 11000	Pupil Transportation 13000	Instructional Materials 14000
Cash, June 30, 2013	\$ 54,582	40,411	7,832
Add:			
2013-14 Revenues	<u>1,352,127</u>	<u>134,151</u>	<u>9,276</u>
Total Cash Available	1,406,709	174,562	17,108
Less:			
2013-14 Expenditures	(1,315,540)	(60,721)	(6,253)
Receivables/Payables	<u>102,712</u>	<u>4,489</u>	<u>(25)</u>
Cash June 30, 2014	<u>193,881</u>	<u>118,330</u>	<u>10,830</u>
Fund Balance Reconciliations to GAAP Basis:			
Audit Reclassifications to Cash	<u>(99,506)</u>	<u>-</u>	<u>-</u>
Cash per Books	<u>94,375</u>	<u>118,330</u>	<u>10,830</u>
Fund Balance Reconciliation to GAAP Basis:			
Modified Accrual Adjustments	<u>(21,775)</u>	<u>(77,919)</u>	<u>-</u>
Fund Balance, Modified Accrual Basis	<u>\$ 72,600</u>	<u>40,411</u>	<u>10,830</u>

The accompanying notes are an integral part of these financial statements

Food Services 21000	Federal Flowthrough Fund 24000	Agency Fund 23000	Public School Capital Outlay 31200	Total
1,832	(24,273)	1,531	-	81,915
50,945	234,716	3,234	106,364	1,890,813
52,777	210,443	4,765	106,364	1,972,728
(51,635)	(136,038)	(4,695)	(82,874)	(1,657,756)
617	(173,287)	-	-	(65,494)
1,759	(98,882)	70	23,490	249,478
(1,759)	98,882	-	(23,490)	(25,873)
-	-	70	-	223,605
Less: Activity Funds Per Schedule of Changes in Assets and Liabilities - Agency Funds:				(70)
Balance Sheets - Governmental Funds:				\$ 223,535
2,412	253	(70)	-	(97,099)
2,412	253	-	-	126,506

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Village Academy
 Statement of Net Position
 June 30, 2014

ASSETS

Current Assets

Cash	\$ -
Total Current Assets	<u>-</u>

Noncurrent Assets

Capital Assets	
Furniture, Fixtures, and Equipment	-
Less: Accumulated Depreciation	-
Total Noncurrent Assets	<u>-</u>

Total Assets	<u>-</u>
---------------------	----------

LIABILITIES

Current Liabilities

Accounts Payable	-
Total Current Liabilities	<u>-</u>

NET POSITION

Restricted	-
Unrestricted	-
Total Net Position	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Village Academy
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 25	-	-	-	(25)
Support Services					
General Administration	6,275	-	-	-	(6,275)
Central Services	5,535	-	-	-	(5,535)
Total Governmental Activities	\$ 11,835	-	-	-	(11,835)
General Revenues:					
Transfers					\$ (4,186)
Miscellaneous					11,835
Total General Revenues					7,649
Change in Net Position					(4,186)
Net Position, Beginning					4,186
Net Position, Ending					\$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Village Academy
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
ASSETS				
Cash and Cash Equivalents	\$ -	-	-	-
Accounts Receivable				
Due from Government	-	-	-	-
Due from Other Funds	-	-	-	-
Prepays	-	-	-	-
Total Assets	\$ -	-	-	-
LIABILITIES AND FUND BALANCES				
<i>Liabilities:</i>				
Accounts Payable	\$ -	-	-	-
Accrued Expenditures	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	-	-	-	-
<i>Fund Balances</i>				
Fund Balance:				
Non Spendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	-	-	-	-
<i>Total Liabilities and Fund Balances</i>	\$ -	-	-	-

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Village Academy
 Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
 June 30, 2014

Fund Balances - Total Governmental Funds \$ -

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	-		
Accumulated Depreciation	-		
			-

Net Position-Total Governmental Activities \$ -

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Village Academy
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101
Revenues:				
Miscellaneous Income	\$ 11,696	-	-	-
Total Revenues	11,696	-	-	-
Expenditures:				
Current:				
Instruction	25	-	-	-
Support Services:				
General Administration	6,136	-	-	-
Central Services	5,535	-	-	-
Total Expenditures	11,696	-	-	-
<i>Excess of Revenues Over Expenditures</i>	-	-	-	-
Net Changes in Fund Balances	-	-	-	-
Fund Balances - Beginning of Year	-	-	-	-
Fund Balances - End of Year	\$ -	-	-	-

The accompanying notes are an integral part of these financial statements

IDEA-B Entitlement 24106	Indian Ed Title VII 24155	Impact Aid Special Education 25145	Indian Aid Impact 25147	Public School Capital Outlay 31200	SB-9 Capital Improvements 31700	Total
-	16	-	123	-	-	11,835
-	16	-	123	-	-	11,835
-	-	-	-	-	-	25
-	16	-	123	-	-	6,275
-	-	-	-	-	-	5,535
-	16	-	123	-	-	11,835
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Village Academy
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances - Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014**

Net Change in Fund Balances-Total Governmental Funds	\$ -
Capital Assets Transferred to the Bernalillo School District Upon Closure of the School	<u>(4,186)</u>
Change in Net Position-Total Governmental Activities	<u><u>\$ (4,186)</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Village Academy
Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2014

	Agency Funds
ASSETS	
Cash in Bank	\$ -
Total Assets	<u>\$ -</u>
 LIABILITIES	
Deposits Held for Others	\$ -
Total Liabilities	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Village Academy
 Schedule of Changes in Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 6	-	6	-
Total Assets	<u>\$ 6</u>	<u>-</u>	<u>6</u>	<u>-</u>
LIABILITIES				
Deposits Held for Others	\$ 6	-	6	-
Total Liabilities	<u>\$ 6</u>	<u>-</u>	<u>6</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Village Academy
Notes to the Financial Statements
June 30, 2014**

NOTE 1. VILLAGE ACADEMY - CLOSED

The Village Academy closed effective June 30, 2013. Subsequent to the current year-end, the Village Academy transferred all remaining capital assets to Bernalillo School District. The cash account was closed April 24, 2014 and the money was reverted to New Mexico Public Education Department. There were no budget to actual statements presented for the Village Academy as all revenues and expenditures are a result of the close out during the fiscal year ended June 30, 2014. Assets of \$4,186 (balance at June 30, 2013) were transferred to the Bernalillo School District upon closure of the school.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 650,204
Receivables	
Due from Other Governments	146,718
Prepaid Expenses	<u>14,939</u>
Total Current Assets	<u>811,861</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	8,755
Less: Accumulated Depreciation	<u>(6,742)</u>
Total Noncurrent Assets	<u>2,013</u>
Total Assets	<u>813,874</u>

LIABILITIES

Current Liabilities:

Accounts Payable	205
Accrued Liabilities	1,889
Compensated Absences	<u>27,058</u>
Total Current Liabilities	<u>29,152</u>
Total Liabilities	<u>29,152</u>

NET POSITION

Investment in Capital Assets	2,013
Restricted	128,743
Unrestricted	<u>653,966</u>
Total Net Position	<u>\$ 784,722</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Activities
For the Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
Instruction	\$ 547,864	-	272,678	-	(275,186)
Support Services:					
Students	45,431	-	-	-	(45,431)
Instruction	37,345	-	-	-	(37,345)
General Administration	14,670	-	-	-	(14,670)
School Administration	129,946	-	-	-	(129,946)
Central Services	106,106	-	-	-	(106,106)
Operation & Maintenance of Plant	41,685	-	-	-	(41,685)
Student Transportation	2,103	-	-	-	(2,103)
Food Services	61,371	-	24,500	-	(36,871)
Facilities Materials, Supplies & Other Services	46,201	-	-	46,201	-
Total Governmental Activities	<u>\$ 1,032,722</u>	<u>-</u>	<u>297,178</u>	<u>46,201</u>	<u>(689,343)</u>
General Revenues:					
State Equalization Guarantee					\$ 806,270
Miscellaneous					137
Total General Revenues					<u>806,407</u>
Change in Net Position					117,064
Net Position, Beginning					<u>667,658</u>
Net Position, Ending					<u>\$ 784,722</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Balance Sheets - Governmental Funds
June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
ASSETS					
Cash and Cash Equivalents	\$ 542,031	30,196	8,370	-	286
Accounts Receivable					
Due from Government	-	-	-	5,110	2,902
Due from Other Funds	144,763	-	-	-	-
Prepays	-	-	-	-	-
<i>Total Assets</i>	<u>\$ 686,794</u>	<u>30,196</u>	<u>8,370</u>	<u>5,110</u>	<u>3,188</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 50	-	-	-	-
Accrued Expenditures	1,889	-	-	-	-
Due to Other Funds	-	-	-	2,237	-
<i>Total Liabilities</i>	<u>1,939</u>	<u>-</u>	<u>-</u>	<u>2,237</u>	<u>-</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Non Spendable:					
Prepaid Expenditures	-	-	-	-	-
Restricted for:					
Instruction	-	-	-	2,873	3,188
Student Instruction	-	30,196	-	-	-
Food Services	-	-	8,370	-	-
Student Support Services	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	684,855	-	-	-	-
Unassigned (Deficit)	-	-	-	-	-
<i>Total Fund Balances (Deficit)</i>	<u>684,855</u>	<u>30,196</u>	<u>8,370</u>	<u>2,873</u>	<u>3,188</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ 686,794</u>	<u>30,196</u>	<u>8,370</u>	<u>5,110</u>	<u>3,188</u>

The accompanying notes are an integral part of these financial statements

Recruiting 24154	Title VII Indian Education 24155	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	NM Gear Up 25205	Center for Native Education 26181
-	7,249	18,852	31,872	154	5,583
-	-	-	-	121,548	-
-	-	-	-	-	-
-	-	-	-	14,939	-
-	7,249	18,852	31,872	136,641	5,583
-	-	-	-	155	-
-	-	-	-	-	-
-	-	-	-	121,537	-
-	-	-	-	121,692	-
-	-	-	-	14,939	-
-	-	-	31,872	-	-
-	-	-	-	10	5,583
-	-	-	-	-	-
-	7,249	18,852	-	-	-
-	-	-	-	-	-
-	7,249	18,852	31,872	14,949	5,583
-	7,249	18,852	31,872	136,641	5,583

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Balance Sheets - Governmental Funds - Continued
June 30, 2014

	Dual Credit 27103	Risk PED 27107	Indian Education Act Appropriation 27150	NM Grown Fruits & Vegetables 27183	NM Gear Up 28178
ASSETS					
Cash and Cash Equivalents	\$ -	-	-	-	1,132
Accounts Receivable					
Due from Government	-	-	16,567	591	-
Due from Other Funds	-	-	-	-	-
Prepays	-	-	-	-	-
<i>Total Assets</i>	<u>\$ -</u>	<u>-</u>	<u>16,567</u>	<u>591</u>	<u>1,132</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ -	-	-	-	-
Accrued Expenditures	-	-	-	-	-
Due to Other Funds	-	2,255	18,143	591	-
Total Liabilities	<u>-</u>	<u>2,255</u>	<u>18,143</u>	<u>591</u>	<u>-</u>
<i>Fund Balances (Deficit)</i>					
Fund Balance (Deficit):					
Non Spendable:					
Prepaid Expenditures	-	-	-	-	-
Restricted for:					
Instruction	-	-	-	-	-
Student Instruction	-	-	-	-	1,132
Food Services	-	-	-	-	-
Student Support Services	-	-	-	-	-
Assigned to:					
Subsequent Years Expenditures and Other Programs	-	-	-	-	-
Unassigned (Deficit)	-	(2,255)	(1,576)	-	-
Total Fund Balances (Deficit)	<u>-</u>	<u>(2,255)</u>	<u>(1,576)</u>	<u>-</u>	<u>1,132</u>
<i>Total Liabilities and Fund Balance (Deficit)</i>	<u>\$ -</u>	<u>-</u>	<u>16,567</u>	<u>591</u>	<u>1,132</u>

The accompanying notes are an integral part of these financial statements

Private Dir Grant 29102	Public Schools Capital Outlay 31200	Total
4,479	-	650,204
-	-	146,718
-	-	144,763
-	-	14,939
<u>4,479</u>	<u>-</u>	<u>956,624</u>
-	-	205
-	-	1,889
-	-	144,763
-	-	<u>146,857</u>
-	-	14,939
-	-	37,933
4,479	-	41,400
-	-	8,370
-	-	26,101
-	-	684,855
-	-	(3,831)
<u>4,479</u>	<u>-</u>	<u>809,767</u>
<u>4,479</u>	<u>-</u>	<u>956,624</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Reconciliation of the Balance Sheets - Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 809,767**

Amounts reported for governmental activities in the Statement of
 Net Position is different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	8,755	
Accumulated Depreciation	(6,742)	
	(6,742)	2,013
Compensated Absences	(27,058)	
	(27,058)	(27,058)
Net Position-Total Governmental Activities		\$ 784,722

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)
Governmental Funds
For the Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	Food Services 21000	Title I IASA 24101	IDEA-B Entitlement 24106
Revenues:					
State grant	\$ 806,270	3,795	24,500	-	-
Federal Grant	-	-	-	7,448	7,138
Miscellaneous	-	-	-	-	-
Total Revenues	<u>806,270</u>	<u>3,795</u>	<u>24,500</u>	<u>7,448</u>	<u>7,138</u>
Expenditures:					
Current:					
Instruction	236,381	1,030	-	7,448	7,138
Support Services:					
Students	15,359	-	-	-	-
Instruction	-	-	-	-	-
General Administration	14,670	-	-	-	-
School Administration	129,291	-	-	-	-
Central Services	105,052	-	-	-	-
Operation & Maintenance of Plant	41,685	-	-	-	-
Student Transportation	903	-	-	-	-
Food Services Operations	28,660	-	28,077	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>572,001</u>	<u>1,030</u>	<u>28,077</u>	<u>7,448</u>	<u>7,138</u>
<i>Excess (Deficiency) of Revenues</i>					
<i>Over (Under) Expenditures</i>	<u>234,269</u>	<u>2,765</u>	<u>(3,577)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):					
Operating Transfers	(2,492)	-	-	-	-
Total Other Financing Sources (Uses):	<u>(2,492)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>231,777</u>	<u>2,765</u>	<u>(3,577)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>453,078</u>	<u>27,431</u>	<u>11,947</u>	<u>2,873</u>	<u>3,188</u>
Fund Balances (Deficit) - End of Year	<u>\$ 684,855</u>	<u>30,196</u>	<u>8,370</u>	<u>2,873</u>	<u>3,188</u>

The accompanying notes are an integral part of these financial statements

Recruiting 24154	Title VII Indian Education 24155	Impact Aid Special Education 25145	Impact Aid Indian Education 25147	NM Gear Up 25205	Center for Native Education 26181
-	-	-	-	-	-
-	11,112	2,391	2,880	217,397	-
-	-	-	-	-	-
-	11,112	2,391	2,880	217,397	-
2,492	-	3,882	98,496	155,158	-
-	11,031	9,096	-	9,945	-
-	-	-	-	37,345	-
-	-	-	-	-	-
-	-	-	655	-	-
-	-	-	1,054	-	-
-	-	-	-	-	-
-	-	-	4,043	-	-
-	-	-	-	-	-
2,492	11,031	12,978	104,248	202,448	-
(2,492)	81	(10,587)	(101,368)	14,949	-
2,492	-	-	-	-	-
2,492	-	-	-	-	-
-	81	(10,587)	(101,368)	14,949	-
-	7,168	29,439	133,240	-	5,583
-	7,249	18,852	31,872	14,949	5,583

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit) - Continued
Governmental Funds
For the Year Ended June 30, 2014

	Dual Credit 27103	Risk PED 27107	Indian Education Act Appropriation 27150	NM Grown Fruits & Vegetables 27183	NM Gear Up 28178
Revenues:					
State grant	\$ 462	-	19,464	591	-
Federal Grant	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>462</u>	<u>-</u>	<u>19,464</u>	<u>591</u>	<u>-</u>
Expenditures:					
Current:					
Instruction	462	2,255	19,464	-	-
Support Services:					
Students	-	-	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Student Transportation	-	-	-	-	-
Food Services Operations	-	-	-	591	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>462</u>	<u>2,255</u>	<u>19,464</u>	<u>591</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,255)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):					
Operating Transfers	-	-	-	-	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>(2,255)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit) - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,576)</u>	<u>-</u>	<u>1,132</u>
Fund Balances (Deficit) - End of Year	<u>\$ -</u>	<u>(2,255)</u>	<u>(1,576)</u>	<u>-</u>	<u>1,132</u>

The accompanying notes are an integral part of these financial statements

Private Dir Grant 29102	Public Schools Capital Outlay 31200	Total
-	46,201	901,283
-	-	248,366
137	-	137
<u>137</u>	<u>46,201</u>	<u>1,149,786</u>
-	-	534,206
-	-	45,431
-	-	37,345
-	-	14,670
-	-	129,946
-	-	106,106
-	-	41,685
-	-	903
-	-	61,371
-	46,201	46,201
-	46,201	1,017,864
<u>137</u>	<u>-</u>	<u>131,922</u>
-	-	-
-	-	-
<u>137</u>	<u>-</u>	<u>131,922</u>
<u>4,342</u>	<u>-</u>	<u>677,845</u>
<u>4,479</u>	<u>-</u>	<u>809,767</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Reconciliation of the Statement of Revenues, Expenditures, and Changes
In Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds	\$	131,922
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Amounts reported for governmental activities in the Statement of Activities are different because:

Change in Compensated Absences	<u>(13,658)</u>	<u>(13,658)</u>
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Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlay exceeds depreciation for the period.

Depreciation Expense	<u>(1,200)</u>	<u>(1,200)</u>
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Change in Net Position-Total Governmental Activities	\$	<u>117,064</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 June 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash in Bank	<u>\$ 12,019</u>
Total Assets	<u><u>\$ 12,019</u></u>
 LIABILITIES	
Deposits Held for Others	<u>\$ 12,019</u>
Total Liabilities	<u><u>\$ 12,019</u></u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2014

	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2014</u>
ASSETS				
Cash in Bank	\$ 9,828	25,862	23,671	12,019
Total Assets	<u>\$ 9,828</u>	<u>25,862</u>	<u>23,671</u>	<u>12,019</u>
LIABILITIES				
Deposits Held for Others	\$ 9,828	25,862	23,671	12,019
Total Liabilities	<u>\$ 9,828</u>	<u>25,862</u>	<u>23,671</u>	<u>12,019</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Notes to the Financial Statements
June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, software and computer equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values as of the date received, if applicable. 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. The Walatowa High Charter School's (WHCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The WHCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures and Equipment 5 years

NOTE 2. CAPITAL ASSETS

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

	Balance	Additions	Deletions	Balance
	<u>June 30, 2013</u>			<u>June 30, 2014</u>
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 8,755	-	-	8,755
<i>Total</i>	8,755	-	-	8,755
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(5,542)	(1,200)	-	(6,742)
<i>Total</i>	(5,542)	(1,200)	-	(6,742)
Net Capital Assets	\$ 3,213	(1,200)	-	2,013

Depreciation expensed for the year ended June 30, 2014 was expensed to the following function:

Student Transportation	\$ 1,200
Total	\$ 1,200

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Notes to the Financial Statements
 June 30, 2014

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The WHCS leases portable buildings under a cancelable operating lease. Rental expense for the year ended June 30, 2014 was \$46,201. The WHCS's minimum future payments on this lease for the year ending June 30, 2015 is \$46,201.

NOTE 4. RELATED PARTIES

The WHCS is located on the Pueblo of Jemez. The WHCS leases the portable buildings exclusively for educational purposes.

NOTE 5. COMPENSATED ABSENCES

Changes in compensated absences for the year ended June 30, 2014, is as follows:

	Balance			Balance
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Compensated Absences	\$ 13,400	13,658	-	27,058

NOTE 6. DEFICIENT FUND BALANCE

The following funds had deficient fund balances at June 30, 2014:

Indian Education Act Appropriation- 27150	\$ (1,576)
Risk PED - 27107	\$ (2,255)

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 772,449	806,270	806,270	-
Total Revenues	772,449	806,270	806,270	-
Expenditures:				
Current:				
Instruction	344,452	361,768	238,799	122,969
Support Services:				
Students	-	15,359	15,359	-
General Administration	28,400	28,400	14,670	13,730
School Administration	140,081	141,081	129,291	11,790
Central Services	119,023	120,523	105,052	15,471
Operation & Maintenance of Plant	82,293	86,793	41,685	45,108
Student Transportation	3,600	3,875	903	2,972
Food Services Operations	54,600	54,600	28,660	25,940
Total Expenditures	772,449	812,399	574,419	237,980
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(6,129)	231,851	237,980
Other Financing Sources (Uses):				
Operating Transfers	-	-	(2,492)	2,492
Designated Cash	-	6,129	-	(6,129)
Total Other Financing Sources (Uses):	-	6,129	(2,492)	(3,637)
Net Changes in Fund Balances	-	-	234,343	234,343
Cash or Fund Balances - Beginning of Year	-	-	453,078	453,078
Cash or Fund Balances - End of Year	\$ -	-	687,421	687,421
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,418	
NET CHANGE IN FUND BALANCE			\$ 231,777	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Instructional Materials 14000
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ 3,140	3,140	4,532	1,392
Total Revenues	<u>3,140</u>	<u>3,140</u>	<u>4,532</u>	<u>1,392</u>
Expenditures:				
Current:				
Support Services:				
Instruction	30,630	30,630	1,030	29,600
Total Expenditures	<u>30,630</u>	<u>30,630</u>	<u>1,030</u>	<u>29,600</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(27,490)</u>	<u>(27,490)</u>	<u>3,502</u>	<u>30,992</u>
Other Financing Sources (Uses):				
Designated Cash	27,490	27,490	-	(27,490)
Total Other Financing Sources (Uses):	<u>27,490</u>	<u>27,490</u>	<u>-</u>	<u>(27,490)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>3,502</u>	<u>3,502</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>26,694</u>	<u>26,694</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>30,196</u>	<u>30,196</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(737)	
NET CHANGE IN FUND BALANCE			<u>\$ 2,765</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Food Services 21000
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	29,202	29,041	(161)
Total Revenues	-	29,202	29,041	(161)
Expenditures:				
Current:				
Food Services Operations	-	29,202	28,077	1,125
Total Expenditures	-	29,202	28,077	1,125
Excess of Revenues Over Expenditures	-	-	964	964
Net Changes in Fund Balances	-	-	964	964
Cash or Fund Balances - Beginning of Year	-	-	7,406	7,406
Cash or Fund Balances - End of Year	\$ -	-	8,370	8,370
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(4,541)	
NET CHANGE IN FUND BALANCE			\$ (3,577)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title I IASA 24101
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ 17,311	19,271	21,347	2,076
Total Revenues	<u>17,311</u>	<u>19,271</u>	<u>21,347</u>	<u>2,076</u>
Expenditures:				
Current:				
Instruction	17,311	19,271	7,449	11,822
Total Expenditures	<u>17,311</u>	<u>19,271</u>	<u>7,449</u>	<u>11,822</u>
Excess of Revenues Over Expenditures	-	-	13,898	13,898
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>13,898</u>	<u>13,898</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(16,135)</u>	<u>(16,135)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,237)</u>	<u>(2,237)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			(13,898)	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	22,641	4,236	(18,405)
Total Revenues	<u>-</u>	<u>22,641</u>	<u>4,236</u>	<u>(18,405)</u>
Expenditures:				
Current:				
Instruction	-	22,641	7,138	15,503
Total Expenditures	<u>-</u>	<u>22,641</u>	<u>7,138</u>	<u>15,503</u>
Deficiency of Revenues				
Under Expenditures	-	-	(2,902)	(2,902)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,902)</u>	<u>(2,902)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>3,188</u>	<u>3,188</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>286</u>	<u>286</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			2,902	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Recruiting 24154
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
Federal Grant	\$ 4,526	12,190	-	(12,190)
Total Revenues	<u>4,526</u>	<u>12,190</u>	<u>-</u>	<u>(12,190)</u>
Expenditures:				
Current:				
Support Services:				
Students	4,526	12,190	2,492	9,698
Total Expenditures	<u>4,526</u>	<u>12,190</u>	<u>2,492</u>	<u>9,698</u>
Deficiency of Revenues Under Expenditures	-	-	(2,492)	(2,492)
Other Financing Sources (Uses):				
Operating Transfers	-	-	2,492	-
Total Other Financing Sources (Uses):	<u>-</u>	<u>-</u>	<u>2,492</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Title VII Indian Education 24155
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	11,112	11,112	-
Total Revenues	<u>-</u>	<u>11,112</u>	<u>11,112</u>	<u>-</u>
Expenditures:				
Current:				
Support Services:				
Students	-	11,112	11,031	81
Total Expenditures	<u>-</u>	<u>11,112</u>	<u>11,031</u>	<u>81</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>81</u>	<u>81</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>81</u>	<u>81</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>7,168</u>	<u>7,168</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>7,249</u>	<u>7,249</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 81</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Impact Aid Special Education 25145
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	2,390	2,391	1
Total Revenues	<u>-</u>	<u>2,390</u>	<u>2,391</u>	<u>1</u>
Expenditures:				
Current:				
Instruction	-	10,485	3,881	6,604
Support Services:				
Students	-	18,665	9,097	9,568
Total Expenditures	<u>-</u>	<u>29,150</u>	<u>12,978</u>	<u>16,172</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(26,760)</u>	<u>(10,587)</u>	<u>16,173</u>
Other Financing Sources (Uses):				
Designated Cash	-	26,760	-	(26,760)
Total Other Financing Sources (Uses):	<u>-</u>	<u>26,760</u>	<u>-</u>	<u>(26,760)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(10,587)</u>	<u>(10,587)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>29,439</u>	<u>29,439</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>18,852</u>	<u>18,852</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (10,587)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Impact Aid Indian Education 25147
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Federal Grant	\$ -	2,880	2,880	-
Total Revenues	-	2,880	2,880	-
Expenditures:				
Current:				
Instruction	-	118,850	98,496	20,354
Support Services:				
School Administration	-	1,000	655	345
Central Services	-	4,000	1,054	2,946
Operation & Maintenance of Plant	-	2,053	-	2,053
Food Services Operations	-	16,000	4,043	11,957
Total Expenditures	-	141,903	104,248	37,655
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	-	(139,023)	(101,368)	37,655
Other Financing Sources (Uses):				
Designated Cash	-	139,023	-	(139,023)
Total Other Financing Sources (Uses):	-	139,023	-	(139,023)
Net Changes in Fund Balances	-	-	(101,368)	(101,368)
Cash or Fund Balances - Beginning of Year	-	-	133,240	133,240
Cash or Fund Balances - End of Year	\$ -	-	31,872	31,872
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			\$ (101,368)	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
NM Gear Up 25205
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 220,000	220,000	95,859	(124,141)
Total Revenues	<u>220,000</u>	<u>220,000</u>	<u>95,859</u>	<u>(124,141)</u>
Expenditures:				
Current:				
Instruction	170,106	170,106	169,940	166
Support Services:				
Students	10,504	10,504	9,946	558
Instruction	39,390	39,390	37,365	2,025
Total Expenditures	<u>220,000</u>	<u>220,000</u>	<u>217,251</u>	<u>2,749</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(121,392)</u>	<u>(121,392)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(121,392)</u>	<u>(121,392)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(121,392)</u>	<u>(121,392)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			121,539	
Adjustments to Expenditures			<u>14,802</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 14,949</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Center for Native Education 26181
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	-	-	-
Federal Grant	-	-	-	-
Charges for Services	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support Services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Food Services Operations	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,583</u>	<u>5,583</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>5,583</u>	<u>5,583</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Dual Credit 27103
 For the Year Ended June 30, 2014

	Budgeted Amounts			Variance Positive (Negative)
	Original Budget	Final Budget	Actual Amount	
Revenues:				
State Grant	\$ -	462	462	-
Total Revenues	<u>-</u>	<u>462</u>	<u>462</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	462	462	462	-
Total Expenditures	<u>462</u>	<u>462</u>	<u>462</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(462)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):				
Designated Cash	462	-	-	-
Total Other Financing Sources (Uses):	<u>462</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Risk PED 27107
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 3,077	3,077	-	(3,077)
Total Revenues	<u>3,077</u>	<u>3,077</u>	<u>-</u>	<u>(3,077)</u>
Expenditures:				
Current:				
Instruction	3,077	3,077	2,255	822
Total Expenditures	<u>3,077</u>	<u>3,077</u>	<u>2,255</u>	<u>822</u>
Deficiency of Revenues				
Under Expenditures	-	-	(2,255)	(2,255)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(2,255)</u>	<u>(2,255)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(2,255)</u>	<u>(2,255)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ (2,255)</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Indian Education Act Appropriation 27150
For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	20,000	2,900	(17,100)
Total Revenues	<u>-</u>	<u>20,000</u>	<u>2,900</u>	<u>(17,100)</u>
Expenditures:				
Current:				
Instruction	20,000	20,000	19,464	536
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>19,464</u>	<u>536</u>
Deficiency of Revenues				
Under Expenditures	(20,000)	-	(16,564)	(16,564)
Other Financing Sources (Uses):				
Designated Cash	20,000	-	-	-
Total Other Financing Sources (Uses):	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(16,564)</u>	<u>(16,564)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>(1,579)</u>	<u>(1,579)</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(18,143)</u>	<u>(18,143)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			16,564	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
NM Grown Fruits & Vegetables 27183
For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
State Grant	\$ -	591	-	(591)
Total Revenues	<u>-</u>	<u>591</u>	<u>-</u>	<u>(591)</u>
Expenditures:				
Current:				
Food Services Operations	-	591	591	-
Total Expenditures	<u>-</u>	<u>591</u>	<u>591</u>	<u>-</u>
Deficiency of Revenues				
Under Expenditures	-	-	(591)	(591)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(591)</u>	<u>(591)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			591	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Private Dir Grant 29102
 For the Year Ended June 30, 2014

	Budgeted Amounts		Actual Amount	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Miscellaneous	\$ -	126	137	11
Total Revenues	<u>-</u>	<u>126</u>	<u>137</u>	<u>11</u>
Expenditures:				
Current:				
Instruction	-	126	-	126
Total Expenditures	<u>-</u>	<u>126</u>	<u>-</u>	<u>126</u>
<i>Excess of Revenues Over Expenditures</i>	-	-	137	137
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>137</u>	<u>137</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>4,342</u>	<u>4,342</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>4,479</u>	<u>4,479</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 137</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 Walatowa High Charter School
 Schedule of Budgetary Comparisons - Budgetary Basis
 Public Schools Capital Outlay 31200
 For the Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	46,201	46,201	-
Total Revenues	<u>-</u>	<u>46,201</u>	<u>46,201</u>	<u>-</u>
Expenditures:				
Capital Outlay	-	46,201	46,201	-
Total Expenditures	<u>-</u>	<u>46,201</u>	<u>46,201</u>	<u>-</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			<u>-</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30,2014</u>
U.S. Bank	FNMA POOL AE9299	31419LKM4	November 1, 2025	\$ 554,030
				<u>\$ 554,030</u>
Total Cash per Schedule of Cash Accounts:				\$ 710,096
Less: FDIC Coverage:				<u>(250,000)</u>
Uninsured Public Funds:				460,096
Collateral Requirement:				230,048
Pledged Collateral Held by Pledging Financial Institution:				<u>554,030</u>
Balance Over Collateralized:				<u>323,982</u>
Balance Uninsured and Uncollateralized at June 30, 2014:				<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Schedule of Cash Accounts
June 30, 2014

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	\$ 710,096
<i>Total on Deposit</i>	710,096
Reconciling Items	(47,873)
Reconciled Balance June 30, 2014	662,223
Less: Agency Funds	(12,019)
<i>Total Cash</i>	\$ 650,204

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
Walatowa High Charter School
Cash Reconciliation
June 30, 2014

	<u>Operational</u> <u>11000</u>	<u>Instructional</u> <u>Materials</u> <u>14000</u>	<u>Food</u> <u>Services</u> <u>21000</u>	<u>Student</u> <u>Activity</u> <u>22000</u>	<u>Non-Instructional</u> <u>Funds</u> <u>23000</u>
Cash, June 30, 2013	\$ 303,651	26,694	7,406	4,101	5,727
Add:					
2013-14 Revenues	<u>806,270</u>	<u>4,532</u>	<u>24,500</u>	<u>10,556</u>	<u>15,306</u>
Total Cash Available	1,109,921	31,226	31,906	14,657	21,033
Less:					
2013-14 Expenditures	(574,419)	(1,030)	(28,077)	(9,026)	(14,645)
Receivables/Payables	9,021	-	-	-	-
Outstanding Loans	<u>(2,492)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash June 30, 2014	<u>\$ 542,031</u>	<u>30,196</u>	<u>3,829</u>	<u>5,631</u>	<u>6,388</u>
Fund Balance Reconciliations to GAAP Basis:					
Audit Reclassifications to Cash	\$ -	-	4,541	-	-
Cash Per Books	<u>\$ 542,031</u>	<u>30,196</u>	<u>8,370</u>	<u>5,631</u>	<u>6,388</u>
Fund Balance Reconciliation to GAAP Basis:					
Modified Accrual Adjustments	\$ 142,824	-	-	(5,631)	(6,388)
Fund Balance, Modified Accrual Basis	<u>\$ 684,855</u>	<u>30,196</u>	<u>8,370</u>	<u>-</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements

Federal Projects Account 24000	Federal Direct Account 25000	Local Grants Fund 26000	State Flow Through Fund 27000	State Direct Fund 28000	Local or State Fund 29000	Public School Capital Outlay 31200	Total
10,362	162,685	7,672	-	1,165	4,342	-	533,805
<u>6,574</u>	<u>101,130</u>	<u>-</u>	<u>3,362</u>	<u>-</u>	<u>137</u>	<u>46,201</u>	<u>1,018,568</u>
16,936	263,815	7,672	3,362	1,165	4,479	46,201	1,552,373
(17,079)	(334,477)	-	(22,772)	-	-	(46,201)	(1,047,726)
2,574	-	-	-	-	-	-	11,595
<u>2,237</u>	<u>121,560</u>	<u>-</u>	<u>20,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,291</u>
<u>4,668</u>	<u>50,898</u>	<u>7,672</u>	<u>1,576</u>	<u>1,165</u>	<u>4,479</u>	<u>-</u>	<u>658,533</u>
<u>2,867</u>	<u>(20)</u>	<u>(2,089)</u>	<u>(1,576)</u>	<u>(33)</u>	<u>-</u>	<u>-</u>	<u>3,690</u>
<u>7,535</u>	<u>50,878</u>	<u>5,583</u>	<u>-</u>	<u>1,132</u>	<u>4,479</u>	<u>-</u>	<u>662,223</u>
Less: Activity Funds Per Schedule Changes in Assets and Liabilities - Agency Funds:							<u>(12,019)</u>
Balance Sheets - Governmental Funds:							<u>\$ 650,204</u>
<u>5,775</u>	<u>14,795</u>	<u>-</u>	<u>(3,831)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,544</u>
<u>13,310</u>	<u>65,673</u>	<u>5,583</u>	<u>(3,831)</u>	<u>1,132</u>	<u>4,479</u>	<u>-</u>	<u>809,767</u>

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Statement of Net Position
June 30, 2014

ASSETS

Current Assets:

Cash	\$ 72,788
Receivables	
Due from Other Governments	18,934
Total Current Assets	<u>91,722</u>

Noncurrent Assets:

Capital Assets	
Furniture, Fixtures, and Equipment	27,125
Less: Accumulated Depreciation	(10,850)
Total Noncurrent Assets	<u>16,275</u>

Total Assets	<u>107,997</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	2,739
Accrued Liabilities	29,457
Total Current Liabilities	<u>32,196</u>

Total Liabilities	<u>32,196</u>
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NET POSITION

Investment in Capital Assets	16,275
Restricted	3,950
Unrestricted	55,576
	<u>75,801</u>

Total Net Position	<u>\$ 75,801</u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Statement of Activities
For The Year Ended June 30, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Instruction	\$ 178,422	-	51,588	-	(126,834)
Support services:					
Students	1,487	-	-	-	(1,487)
Instruction	956	-	-	-	(956)
General Administration	12,265	-	-	-	(12,265)
School Administration	114,242	-	-	-	(114,242)
Central Services	51,650	-	-	-	(51,650)
Operation & Maintenance of Plant	66,564	-	-	-	(66,564)
Services	7,769	-	-	7,769	-
Total Governmental Activities	<u>\$ 433,355</u>	<u>-</u>	<u>51,588</u>	<u>7,769</u>	<u>(373,998)</u>
			General Revenues:		
			State Equalization Guarantee	\$ 415,834	
			State appropriations	521	
			Total General Revenues	<u>416,355</u>	
			Change in Net Position		42,357
			Net position, Beginning		<u>33,444</u>
			Net position, Ending	\$ 75,801	<u><u>75,801</u></u>

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

PUBLIC EDUCATION DEPARTMENT
 William W. & Josephine Dorn Charter School
 Balance Sheets - Governmental Funds
 June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	Federal Charter Planning 24146	Recruiting 24154
ASSETS					
<i>Assets</i>					
Cash and Cash Equivalents	\$ 69,893	2,895	-	-	-
Accounts Receivable					
Due from Government	-	-	544	10,373	248
Due from Other Funds	17,879	-	-	-	-
Total Assets	<u>87,772</u>	<u>2,895</u>	<u>544</u>	<u>10,373</u>	<u>248</u>
Total Assets	<u>\$ 87,772</u>	<u>2,895</u>	<u>544</u>	<u>10,373</u>	<u>248</u>
LIABILITIES AND FUND BALANCES					
<i>Liabilities:</i>					
Accounts Payable	\$ 2,739	-	-	-	-
Accrued Expenses	29,457	-	-	-	-
Due to Other Funds	-	-	544	9,318	248
Total Liabilities	<u>32,196</u>	<u>-</u>	<u>544</u>	<u>9,318</u>	<u>248</u>
<i>Fund Balances</i>					
Fund Balance:					
Restricted for:					
Instruction	-	2,895	-	1,055	-
Assigned to:					
Subsequent Years Expenditure and Other Programs	55,576	-	-	-	-
Total Fund Balance	<u>55,576</u>	<u>2,895</u>	<u>-</u>	<u>1,055</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 87,772</u>	<u>2,895</u>	<u>544</u>	<u>10,373</u>	<u>248</u>

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

New Mexico Reads to Lead K-3 27114	Public School Capital Outlay 31200	Total
-	-	72,788
-	7,769	18,934
-	-	17,879
-	7,769	109,601
-	7,769	109,601
-	-	2,739
-	-	29,457
-	7,769	17,879
-	7,769	50,075
-	-	3,950
-	-	55,576
-	-	59,526
-	7,769	109,601

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Reconciliation of the Balance Sheet- Governmental Funds to the Statement of Net Position
June 30, 2014

Fund Balances - Total Governmental Funds **\$ 59,526**

Amounts reported for governmental activities in the Statement of
 Net Position are different because:

Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds.

Capital Assets	27,125	
Accumulated Depreciation	(10,850)	
	16,275	16,275

Net Position-Total Governmental Activities **\$ 75,801**

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Statement of Revenues, Expenditures, and Changes In Fund Balances
Governmental Funds
For The Year Ended June 30, 2014

	Operational 11000	Instructional Materials 14000	IDEA-B Entitlement 24106	Federal Charter Planning 24146	Recruiting 24154
Revenues:					
State Grant	\$ 416,355	-	-	-	-
Federal Grant	-	-	544	28,509	248
Miscellaneous Income	444	-	-	-	-
Total Revenues	<u>416,799</u>	<u>-</u>	<u>544</u>	<u>28,509</u>	<u>248</u>
Expenditures:					
Current:					
Instruction	127,817	2,960	-	20,377	-
Support Services:					
Students	943	-	544	-	-
Instruction	956	-	-	-	-
General Administration	12,265	-	-	-	-
School Administration	113,032	-	-	962	248
Central Services	51,650	-	-	-	-
Operation & Maintenance of Plant	59,815	-	-	6,749	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>366,478</u>	<u>2,960</u>	<u>544</u>	<u>28,088</u>	<u>248</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>50,321</u>	<u>(2,960)</u>	<u>-</u>	<u>421</u>	<u>-</u>
Net Changes in Fund Balances	<u>50,321</u>	<u>(2,960)</u>	<u>-</u>	<u>421</u>	<u>-</u>
Fund Balances - Beginning of Year	<u>5,255</u>	<u>5,855</u>	<u>-</u>	<u>634</u>	<u>-</u>
Fund Balances - End of Year	<u>\$ 55,576</u>	<u>2,895</u>	<u>-</u>	<u>1,055</u>	<u>-</u>

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

New Mexico Reads to Lead K-3 27114	Public School Capital Outlay 31200	Total
21,843	7,769	445,967
-	-	29,301
-	-	444
<u>21,843</u>	<u>7,769</u>	<u>475,712</u>
21,843	-	172,997
-	-	1,487
-	-	956
-	-	12,265
-	-	114,242
-	-	51,650
-	-	66,564
-	7,769	7,769
<u>21,843</u>	<u>7,769</u>	<u>427,930</u>
-	-	47,782
-	-	47,782
-	-	11,744
-	-	59,526

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 William W. & Josephine Dorn Charter School
 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2014

Net Change in Fund Balances-Total Governmental Funds **\$ 47,782**

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

Capital Outlays to purchase or build capital assets are reported in
 governmental funds as expenditures. However, for governmental
 activities those costs are shown in the Statement of Net Position and
 allocated over their estimated useful lives as annual depreciation
 expenses in the Statement of Activities. This is the amount by which
 capital outlay exceeds depreciation for the period

Depreciation Expense	(5,425)	
		(5,425)
Change in Net Position-Total Governmental Activities	\$	42,357

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 William W. & Josephine Dorn Charter School
 Notes to the Financial Statements
 June 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Assets. Equipment, fixtures and equipment purchases or acquired is carried at historical cost or estimated historical cost. Contributed assets are recorded at the fair market values 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. The William W. & Josephine Dorn Charter School's (WJDCS) capitalization policy (i.e., the dollar value above which the asset acquisitions are added to the capital accounts) is \$5,000. The WJDCS does not capitalize any interest with regard to its capital assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives with no salvage value. The WJDCS utilizes Internal Revenue Service guidelines to estimate the useful lives on capital assets as follows:

Furniture, Fixtures, and Equipment 5 years

NOTE 2. CAPITAL ASSETS

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

	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
<i>Capital Assets being Depreciated:</i>				
Furniture, Fixtures and Equipment	\$ 27,125	-	-	27,125
<i>Total</i>	<u>27,125</u>	<u>-</u>	<u>-</u>	<u>27,125</u>
<i>Less: Accumulated Depreciation</i>				
Furniture, Fixtures and Equipment	(5,425)	(5,425)	-	(10,850)
<i>Total</i>	<u>(5,425)</u>	<u>(5,425)</u>	<u>-</u>	<u>(10,850)</u>
Net Fixed Assets	<u>\$ 21,700</u>	<u>(5,425)</u>	<u>-</u>	<u>16,275</u>

Depreciation expense for the year ended June 30, 2014 was expensed to the following function:

Instruction	\$ 5,425
Total	<u>\$ 5,425</u>

**STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Notes to the Financial Statements
June 30, 2014**

NOTE 3. COMMITMENTS AND CONTINGENCIES

A. Leases

The WJDCS leased facilities under a short-term cancelable operating lease. Rental expense for the year ended June 30, 2014 was \$16,324. The WJDCS's minimum future payments on this lease are as follows.

Year Ending June 30:		
2015	\$	51,600

NOTE 4. RELATED PARTIES

The business manager services are performed by the Vigil Group, which performed services for multiple state charter schools. In addition, the Principal's son is employed as a teacher at the school.

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Operational 11000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 339,102	416,355	416,355	-
Miscellaneous	-	444	444	-
Total Revenues	<u>339,102</u>	<u>416,799</u>	<u>416,799</u>	<u>-</u>
Expenditures:				
Current:				
Instruction	79,531	157,919	125,613	32,306
Support Services:				
Students	-	1,000	412	588
Instruction	3,100	1,100	956	144
General Administration	21,500	15,856	12,265	3,591
School Administration	92,710	116,174	113,032	3,142
Central Services	50,100	61,981	58,779	3,202
Operation & Maintenance of Plant	92,261	75,561	58,221	17,340
Total Expenditures	<u>339,202</u>	<u>429,591</u>	<u>369,278</u>	<u>60,313</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>(100)</u>	<u>(12,792)</u>	<u>47,521</u>	<u>60,313</u>
Other Financing Sources (Uses):				
Designated Cash	100	12,792	-	(12,792)
Total Other Financing Sources (Uses):	<u>100</u>	<u>12,792</u>	<u>-</u>	<u>(12,792)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>47,521</u>	<u>47,521</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>5,255</u>	<u>5,255</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>52,776</u>	<u>52,776</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			<u>2,800</u>	
NET CHANGE IN FUND BALANCE			<u>\$ 50,321</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Instructional Materials 14000
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ 295	2,430	2,134	(296)
Total Revenues	<u>295</u>	<u>2,430</u>	<u>2,134</u>	<u>(296)</u>
Expenditures:				
Current:				
Instruction	295	2,430	-	2,430
Total Expenditures	<u>295</u>	<u>2,430</u>	<u>-</u>	<u>2,430</u>
<i>Excess of Revenues Over Expenditures</i>	<u>-</u>	<u>-</u>	<u>2,134</u>	<u>2,134</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>2,134</u>	<u>2,134</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>761</u>	<u>761</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>2,895</u>	<u>2,895</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>(5,094)</u>	
NET CHANGE IN FUND BALANCE			<u>\$ (2,960)</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
IDEA-B Entitlement 24106
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 1,400	5,590	-	(5,590)
Total Revenues	<u>1,400</u>	<u>5,590</u>	<u>-</u>	<u>(5,590)</u>
Expenditures:				
Current:				
Instruction	700	2,434	-	2,434
Support Services:				
Students	700	3,156	544	2,612
Total expenditures	<u>1,400</u>	<u>5,590</u>	<u>544</u>	<u>5,046</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(544)</u>	<u>(544)</u>
Net changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(544)</u>	<u>(544)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(544)</u>	<u>(544)</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			<u>544</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Federal Charter Planning 24146
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ -	45,996	28,509	(17,487)
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>45,996</u>	<u>28,509</u>	<u>(17,487)</u>
Expenditures:				
Current:				
Instruction	-	38,043	20,376	17,667
Support Services:				
School Administration	-	963	963	-
Operation & Maintenance of Plant	-	6,990	6,749	241
Total expenditures	<u>-</u>	<u>45,996</u>	<u>28,088</u>	<u>17,908</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>421</u>	<u>421</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>421</u>	<u>421</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>634</u>	<u>634</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>1,055</u>	<u>1,055</u>
Reconciliation to GAAP Basis:				
Adjustments to revenues			-	
Adjustments to expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ 421</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Recruiting 24154
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
Federal Grant	\$ 248	248	-	(248)
Total Revenues	<u>248</u>	<u>248</u>	<u>-</u>	<u>(248)</u>
Expenditures:				
Current:				
Support Services:				
School Administration	248	248	248	-
Total expenditures	<u>248</u>	<u>248</u>	<u>248</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	-	-	(248)	(248)
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(248)</u>	<u>(248)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(248)</u>	<u>(248)</u>
Reconciliation to GAAP Basis:				
Adjustments to Expenditures			248	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
New Mexico Reads to Lead K-3 27114
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	23,843	21,843	(2,000)
Total Revenues	<u>-</u>	<u>23,843</u>	<u>21,843</u>	<u>(2,000)</u>
Expenditures:				
Current:				
Instruction	-	23,843	21,843	2,000
Total expenditures	<u>-</u>	<u>23,843</u>	<u>21,843</u>	<u>2,000</u>
<i>Excess (Deficiency) of Revenues Over (Under) Expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			-	
Adjustments to Expenditures			-	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Budgetary Comparisons - Budgetary Basis
Public School Capital Outlay 31200
For The Year Ended June 30, 2014

	<u>Budgeted Amounts</u>			Variance Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amount</u>	
Revenues:				
State Grant	\$ -	7,769	-	(7,769)
Total Revenues	<u>-</u>	<u>7,769</u>	<u>-</u>	<u>(7,769)</u>
Expenditures:				
Capital outlay	-	7,769	7,769	-
Total Expenditures	<u>-</u>	<u>7,769</u>	<u>7,769</u>	<u>-</u>
Deficiency of Revenues Under Expenditures	<u>-</u>	<u>-</u>	<u>(7,769)</u>	<u>(7,769)</u>
Net Changes in Fund Balances	<u>-</u>	<u>-</u>	<u>(7,769)</u>	<u>(7,769)</u>
Cash or Fund Balances - Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash or Fund Balances - End of Year	<u>\$ -</u>	<u>-</u>	<u>(7,769)</u>	<u>(7,769)</u>
Reconciliation to GAAP Basis:				
Adjustments to Revenues			<u>7,769</u>	
NET CHANGE IN FUND BALANCE			<u>\$ -</u>	

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Schedule of Collateral Pledged by Depository
For Public Funds
June 30, 2014

<u>Name of Depository</u>	<u>Security Type</u>	<u>CUSIP/ Security Number</u>	<u>Maturity Date</u>	<u>Fair Value June 30, 2014</u>
N/A	N/A	N/A	N/A	\$ -
				\$ -

Total Cash per Schedule of Cash Accounts:	\$	79,073
Less: FDIC Coverage:		<u>(79,073)</u>
Uninsured Public Funds:		-
Collateral Requirement:		-
Pledged Collateral Held by Pledging Financial Institution:		<u>-</u>
Balance Over (Under) Collateralized:	\$	<u>-</u>
Balance Uninsured and Uncollateralized at June 30, 2014:	\$	<u>-</u>

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

STATE OF NEW MEXICO
 PUBLIC EDUCATION DEPARTMENT
 William W. & Josephine Dorn Charter School
 Schedule of Cash Accounts
 June 30, 2014

<u>Bank Account Type</u>	<u>US Bank</u>
Checking - Operational Account	<u>\$ 79,073</u>
<i>Total on Deposit</i>	79,073
Reconciling Items	<u>(6,285)</u>
<i>Total Cash</i>	<u><u>\$ 72,788</u></u>

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

STATE OF NEW MEXICO
PUBLIC EDUCATION DEPARTMENT
William W. & Josephine Dorn Charter School
Cash Reconciliation
June 30, 2014

	Operational 11000	Instructional Materials 14000	Federal Projects Account 24000	State Flowthrough Fund 27000	Public School Capital Outlay 31200	Total
Cash, June 30, 2013	\$ 12,792	5,855	(50,944)	-	-	(32,297)
Add:						
2013-14 revenues	416,799	2,134	87,201	21,843	-	527,977
Total Cash Available	429,591	7,989	36,257	21,843	-	495,680
Less:						
2013-14 expenditures	(369,276)	-	(46,367)	(21,843)	(7,769)	(445,255)
Receivables/Payables	29,457	-	-	-	-	29,457
Outstanding Loans	(19,879)	-	10,110	-	7,769	(2,000)
Cash June 30, 2014	69,893	7,989	-	-	-	77,882
Fund Balance Reconciliations to GAAP Basis:						
Audit Reclassifications to Cash	-	(5,094)	-	-	-	(5,094)
Cash Per Books	69,893	2,895	-	-	-	72,788
Fund Balance Reconciliation to GAAP Basis:						
Modified Accrual Adjustments	(14,317)	-	1,055	-	-	(13,262)
Fund Balance , Modified Accrual Basis	\$ 55,576	2,895	1,055	-	-	59,526

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