

STATE OF NEW MEXICO  
 ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
 THE BATAAN MILITARY ACADEMY  
 SCHEDULE OF CASH AND CASH EQUIVALENTS  
 June 30, 2015

	<u>Wells Fargo Bank</u>
Operating account	\$ 229,092
Total on deposit	229,092
Reconciling items	<u>(20,071)</u>
Reconciled balance at June 30, 2015	209,021
Less activity funds	<u>(12,410)</u>
<b>Balance per Exhibit A-1</b>	<b><u>\$ 196,611</u></b>

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

STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
THE BATAAN MILITARY ACADEMY  
CASH RECONCILIATION  
June 30, 2015

Schedule III

	Operational Account 11000	Pupil Transportation 13000	Instructional Materials 14000	Food Services 21000	Student Activity 23000	Projects Account 24000
June 30, 2014 Cash (Book Balance)	\$ 34,906	\$ -	\$ 184	\$ 686	\$ -	\$ 859
June 30, 2014 Payroll Liabilities	(48,675)	-	-	-	-	(859)
June 30, 2014 Temporary Interfund Loans	21,230	-	-	-	-	-
June 30, 2014 Adjustments/Reconciling Differences	-	-	-	-	-	-
June 30, 2014 Cash Available to Budget	7,461	-	184	686	-	-
2014-2015 Revenue	1,171,211	-	6,197	-	-	23,664
2014-2015 Expenditures	(1,089,519)	-	(1,229)	-	-	(32,500)
Permanent Cash Transfers/Reversions	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
June 30, 2015 Cash Available to Budget	89,153	-	5,152	686	-	(8,836)
June 30, 2015 Payroll Liabilities	50,401	-	-	-	-	3,035
June 30, 2015 Temporary Interfund Loans	(5,801)	-	-	-	-	5,801
June 30, 2015 Adjustments/Reconciling Differences	-	-	-	-	-	-
June 30, 2015 Cash (Book Balance)	\$ 133,753	\$ -	\$ 5,152	\$ 686	\$ -	\$ -
Reconciliation to PED Cash Report Line 7						
June 30, 2015 Cash (Book Balance)	\$ 133,753	\$ -	\$ 5,152	\$ 686	\$ -	\$ -
June 30, 2014 Payroll Liabilities	-	-	-	-	-	-
June 30, 2015 Payroll Liabilities	(50,401)	-	-	-	-	(3,035)
June 30, 2015 Temporary Interfund Loans	5,801	-	-	-	-	(5,801)
Audit adjustments and reclassifications	-	-	-	-	-	-
Line 7 PED Cash Report June 30, 2015 *	\$ 89,153	\$ -	\$ 5,152	\$ 686	\$ -	\$ (8,836)

\* May include rounding errors when compared to PED Cash Report

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CASH RECONCILIATION  
June 30, 2015

Schedule III

	Direct Account 25000	Grants Fund 26000	State Flowthrough Fund 27000	State Direct Account 28000	Local/State Account 29000	Public School Capital Outlay 31200
June 30, 2014 Cash (Book Balance)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
June 30, 2014 Payroll Liabilities	-	-	-	-	-	-
June 30, 2014 Temporary Interfund Loans	-	-	-	-	-	(21,230)
June 30, 2014 Adjustments/Reconciling Differences	-	-	-	-	-	-
June 30, 2014 Cash Available to Budget	-	-	-	-	-	(21,230)
2014-2015 Revenue	-	2,000	-	-	-	96,185
2014-2015 Expenditures	-	(1,242)	-	-	-	(74,955)
Permanent Cash Transfers/Reversions	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
June 30, 2015 Cash Available to Budget	-	758	-	-	-	-
June 30, 2015 Payroll Liabilities	-	36	-	-	-	-
June 30, 2015 Temporary Interfund Loans	-	-	-	-	-	-
June 30, 2015 Adjustments/Reconciling Differences	-	-	-	-	-	-
June 30, 2015 Cash (Book Balance)	\$ -	\$ 794	\$ -	\$ -	\$ -	\$ -
Reconciliation to PED Cash Report Line 7						
June 30, 2015 Cash (Book Balance)	\$ -	\$ 794	\$ -	\$ -	\$ -	\$ -
June 30, 2014 Payroll Liabilities	-	-	-	-	-	-
June 30, 2015 Payroll Liabilities	-	(36)	-	-	-	-
June 30, 2015 Temporary Interfund Loans	-	-	-	-	-	-
Audit adjustments and reclassifications	-	-	-	-	-	-
Line 7 PED Cash Report June 30, 2015 *	\$ -	\$ 758	\$ -	\$ -	\$ -	\$ -

\* May include rounding errors when compared to PED Cash Report

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THE BATAAN MILITARY ACADEMY  
CASH RECONCILIATION  
June 30, 2015

Schedule III

	Special Capital Outlay 31400	Capital Improve. HB 33 31600	Capital Improve. SB 9 31700	Total Primary Government
June 30, 2014 Cash (Book Balance)	\$ -	\$ -	\$ 26,991	\$ 63,626
June 30, 2014 Payroll Liabilities	-	-	-	(49,534)
June 30, 2014 Temporary Interfund Loans	-	-	-	-
June 30, 2014 Adjustments/Reconciling Differences	-	-	-	-
June 30, 2014 Cash Available to Budget	-	-	26,991	14,092
2014-2015 Revenue	-	-	38,206	1,337,463
2014-2015 Expenditures	-	-	(8,971)	(1,208,416)
Permanent Cash Transfers/Reversions	-	-	-	-
Adjustments	-	-	-	-
June 30, 2015 Cash Available to Budget	-	-	56,226	143,139
June 30, 2015 Payroll Liabilities	-	-	-	53,472
June 30, 2015 Temporary Interfund Loans	-	-	-	-
June 30, 2015 Adjustments/Reconciling Differences	-	-	-	-
June 30, 2015 Cash (Book Balance)	\$ -	\$ -	\$ 56,226	\$ 196,611
Reconciliation to PED Cash Report Line 7				
June 30, 2015 Cash (Book Balance)	\$ -	\$ -	\$ 56,226	\$ 196,611
June 30, 2014 Payroll Liabilities	-	-	-	-
June 30, 2015 Payroll Liabilities	-	-	-	(53,472)
June 30, 2015 Temporary Interfund Loans	-	-	-	-
Audit adjustments and reclassifications	-	-	-	-
Line 7 PED Cash Report June 30, 2015 *	\$ -	\$ -	\$ 56,226	\$ 143,139

\* May include rounding errors when compared to PED Cash Report

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

STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
THE BATAAN MILITARY ACADEMY  
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000 (EXCLUDING GRT) - UNAUDITED  
Year Ended June 30, 2015

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address, Per the Procurement Documentation, of <u>ALL</u> Vendor(s) That Responded</i>	<i>In-State/ Out-of- State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the Vendor In- State and Chose Veteran's Preference (Y or N) - For Federal Funds, Answer N/A</i>	<i>Brief Description of the Scope of Work</i>
No purchases exceeding \$60,000								

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



## **STATISTICAL SECTION (UNAUDITED)**

## **Statistical Section Narrative**

This section of Albuquerque Public School's Comprehensive Annual Financial Report presents detailed information in a context for understanding this year's financial statements, note disclosures and supplementary information. Unless otherwise noted, the information in these tables is derived from District annual financial reports for the relevant year. This information is unaudited.

### **Financial Trends**

These schedules contain information to help the reader understand how the District's financial performance has changed over time. All of these schedules are presented for ten years.

- Schedule 1-2 Information about Net Position
- Schedule 3 Changes in Net Position
- Schedule 4 Fund Balances, Governmental Funds
- Schedule 5 Changes in Fund Balances, Governmental Funds

### **Revenue Capacity**

These schedules present information to help the reader assess the District's most significant local revenue source, property taxes.

- Schedule 6-8 Information about Assessed Property Values
- Schedule 9-10 Information about Tax Rates
- Schedule 11 Principal Property Tax Payers
- Schedule 12 Property Tax Levies and Collections

### **Debt Capacity**

These schedules present information to help the reader assess the District's outstanding debt and its ability to absorb additional debt in the future.

- Schedule 13 Outstanding Debt
- Schedule 14 Direct and Overlapping Debt
- Schedule 15 Debt Service Requirements
- Schedule 16 Legal Debt Margin

### **Operating Data**

These schedules present operating data to help understand how the information in the District's financial report relates to the services it provides.

- Schedule 17 Full-Time Equivalent Employees by Function
- Schedule 18 Student Enrollment
- Schedule 19 State Equalization
- Schedule 20 District Facilities

### **Demographic and Economic Information**

These schedules present demographic and economic information intended to help the reader understand the socioeconomic environment within which the District operates.

- Schedule 21-22 Population
- Schedule 23-24 Employment
- Schedule 25-26 Income
- Schedule 27 New Mexico Gross Receipts Tax



Schedule 1  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
FINANCIAL TREND DATA

NET POSITION BY COMPONENT-10 YEARS

Fiscal Year Ending June 30,	Net Investment in capital assets	Restricted for instructional materials	Restricted for food service	Restricted by grantor	Restricted for Athletic Program	Restricted for Transportation	Restricted for debt service	Restricted for capital projects	Unrestricted	Total Net Position
2015	\$ 782,968,740	\$ 2,238,081	\$ 17,489,272	\$ 6,234,168	\$ 1,499,148	\$ 1,055,329	\$ 80,148,875	\$ 167,549,187	\$ (950,262,085)	\$ 108,920,715
2014	775,698,668	2,789,937	18,365,379	6,953,875	1,676,810	-	74,991,507	164,507,956	58,463,396	1,103,447,528
2013	763,269,521	1,635,847	14,606,894	8,208,556	1,638,853	-	74,402,496	161,604,894	47,463,157	1,072,830,218
2012	704,869,020	321,585	12,158,606	8,229,283	1,516,581	(381)	72,620,751	131,696,318	27,046,369	958,458,132
2011	758,057,040	1,027,817	8,555,928	7,819,138	1,446,866	3,302	64,803,477	101,947,512	25,301,443	968,962,523
2010	751,675,192	2,320,704	8,356,436	7,385,993	1,432,285	72,507	60,309,355	63,095,875	19,040,214	913,688,561
2009	689,118,596	3,148,751	7,500,782	7,825,891	1,148,404	132,255	36,100,604	58,654,967	29,634,522	833,264,772
2008	546,961,143	2,544,581	5,535,484	7,622,570	1,186,733	133,031	68,325,736	101,943,776	44,938,237	779,191,291
2007	502,112,317	1,389,303	2,588,581	2,031,217	1,133,645	137,334	64,425,503	111,033,752	44,208,205	729,059,857
2006	455,458,704	1,572,665	643,430	-	831,982	94,529	26,368,131	89,407,026	15,863,048	590,239,515

GASB 68 was implemented during 2015 which required the District to report its share of the ERB net pension liability as of 6/30/2015

GASB 65 was implemented during 2014 which requires bond issuance costs to be fully expensed and no longer capitalized.

2013, 2014, and 2015 financial information in the above schedule are presented in conformance with GASB 65. Bond issuance costs are capitalized in all years prior to 2013.

Schedule 2  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
FINANCIAL TREND DATA

INFORMATION ABOUT NET POSITION - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Assets</b>										
Cash and investments	\$ 433,195,147	\$ 391,904,902	\$ 370,208,567	\$ 365,529,765	\$ 414,968,260	\$ 295,810,396	386,123,427	\$ 317,072,060	\$ 281,768,584	\$ 224,542,623
Other current assets	38,572,920	47,638,338	35,023,245	29,031,255	26,409,215	30,513,468	24,522,705	38,650,481	34,816,355	17,655,487
Capital assets net of depreciation	1,345,321,210	1,292,602,152	1,278,682,736	1,206,323,859	1,235,405,051	1,170,732,209	1,031,526,696	756,445,732	637,745,969	571,900,700
Other non-current assets	18,851,364	18,931,205	21,820,103	32,555,155	28,175,964	26,356,338	20,516,565	23,279,518	54,762,090	17,318,205
<b>Total Assets</b>	<b>1,835,940,641</b>	<b>1,751,076,597</b>	<b>1,705,734,651</b>	<b>1,633,440,034</b>	<b>1,704,958,490</b>	<b>1,523,412,411</b>	<b>1,462,689,393</b>	<b>1,135,447,791</b>	<b>1,009,092,998</b>	<b>831,417,015</b>
<b>Deferred Outflows of Resources</b>	<b>67,255,320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets &amp; Deferred Outflows of Resources</b>	<b>1,903,195,961</b>	<b>1,751,076,597</b>	<b>1,705,734,651</b>	<b>1,633,440,034</b>	<b>1,704,958,490</b>	<b>1,523,412,411</b>	<b>1,462,689,393</b>	<b>1,135,447,791</b>	<b>1,009,092,998</b>	<b>831,417,015</b>
<b>Liabilities</b>										
Accounts payable	2,888,287	2,859,719	3,747,565	2,424,617	2,583,010	4,746,490	4,552,438	778,186	3,930,776	5,372,936
Insurance reserves -short term	13,894,293	13,338,872	16,472,397	27,601,445	28,434,736	28,347,316	34,604,752	27,929,614	25,505,589	21,982,018
Current portion long term obligations	62,634,228	52,824,180	49,934,267	41,696,078	37,191,078	44,686,560	22,819,784	11,233,212	25,113,703	14,717,150
Other current liabilities	96,893,091	86,847,238	67,602,355	66,760,725	93,046,330	94,148,126	106,708,942	94,433,251	74,513,773	68,290,014
<b>Total Current Liabilities</b>	<b>176,309,899</b>	<b>155,870,009</b>	<b>137,756,584</b>	<b>138,482,865</b>	<b>161,255,154</b>	<b>171,928,492</b>	<b>168,685,916</b>	<b>134,374,263</b>	<b>129,063,841</b>	<b>110,362,118</b>
Compensated absences	2,660,880	2,651,670	2,589,529	2,556,910	2,574,378	2,655,259	2,995,000	2,413,000	2,423,695	3,149,276
Net OPEB Obligation	590,446	463,279	316,763	284,924	-	-	-	-	-	-
Net Pension Liability	970,374,781	-	-	-	-	-	-	-	-	-
Debt due in more than one year	516,636,020	474,601,525	478,901,539	514,696,835	556,392,912	419,253,663	448,818,225	205,998,813	139,351,858	112,674,463
Long term portion claims payable	15,133,027	13,896,455	13,304,293	17,143,054	13,267,490	11,768,201	3,204,810	9,667,123	7,664,269	11,571,743
<b>Total long term Liabilities</b>	<b>1,505,395,154</b>	<b>491,612,929</b>	<b>495,112,124</b>	<b>534,681,723</b>	<b>572,234,780</b>	<b>433,677,123</b>	<b>455,018,035</b>	<b>218,078,936</b>	<b>149,439,822</b>	<b>127,395,482</b>
<b>Total Liabilities</b>	<b>1,681,705,053</b>	<b>647,482,938</b>	<b>632,868,708</b>	<b>673,164,588</b>	<b>733,489,934</b>	<b>605,605,615</b>	<b>623,703,951</b>	<b>352,453,199</b>	<b>278,503,663</b>	<b>237,757,600</b>
<b>Deferred Inflows of Resources</b>	<b>112,570,193</b>	<b>146,131</b>	<b>35,725</b>	<b>1,817,314</b>	<b>2,506,033</b>	<b>4,118,235</b>	<b>5,720,670</b>	<b>3,803,301</b>	<b>1,529,478</b>	<b>3,419,900</b>
<b>Net Position</b>										
Net investment in capital assets	782,968,740	775,698,668	763,269,521	704,869,020	758,057,040	751,675,192	689,118,596	546,961,143	502,112,317	455,458,704
Restricted for instructional materials	2,238,081	2,789,937	1,635,847	321,585	1,027,817	2,320,704	3,148,751	2,544,581	1,389,303	1,572,665
Restricted for food service	17,489,272	18,365,379	14,606,894	12,158,606	8,555,928	8,356,436	7,500,782	5,535,484	2,588,581	643,430
Restricted by grantor	6,234,168	6,953,875	8,208,556	8,229,283	7,819,138	7,385,993	7,825,891	7,622,570	2,031,217	-
Restricted for athletic program	1,499,148	1,676,810	1,638,853	1,516,581	1,446,866	1,432,285	1,148,404	1,186,733	1,133,645	831,982
Restricted for transportation	1,055,329	-	-	(381)	3,302	72,507	132,255	133,031	137,334	94,529
Restricted for debt service	80,148,875	74,991,507	74,402,496	72,620,751	64,803,477	60,309,355	36,100,604	68,325,736	64,425,503	26,368,131
Restricted for capital projects	167,549,187	164,507,956	161,604,894	131,696,318	101,947,512	63,095,875	58,654,967	101,943,776	111,033,752	89,407,026
<b>Subtotal Restricted Assets</b>	<b>1,059,182,800</b>	<b>1,044,984,132</b>	<b>1,025,367,061</b>	<b>931,411,763</b>	<b>943,661,080</b>	<b>894,648,347</b>	<b>803,630,250</b>	<b>734,253,054</b>	<b>684,851,652</b>	<b>574,376,467</b>
Unrestricted	(950,262,085)	58,463,396	47,463,157	27,046,369	25,301,443	19,040,214	29,634,522	44,938,237	44,208,205	15,863,048
<b>Total Net Position</b>	<b>108,920,715</b>	<b>1,103,447,528</b>	<b>1,072,830,218</b>	<b>958,458,132</b>	<b>968,962,523</b>	<b>913,688,561</b>	<b>833,264,772</b>	<b>779,191,291</b>	<b>729,059,857</b>	<b>590,239,515</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 1,903,195,961</b>	<b>\$ 1,751,076,597</b>	<b>\$ 1,705,734,651</b>	<b>\$ 1,633,440,034</b>	<b>\$ 1,704,958,490</b>	<b>\$ 1,523,412,411</b>	<b>\$ 1,462,689,393</b>	<b>\$ 1,135,447,791</b>	<b>\$ 1,009,092,998</b>	<b>\$ 831,417,015</b>

GASB 68 was implemented during 2015 which required the District to report its share of the ERB net pension liability as of 6/30/2015

GASB 65 was implemented during 2014 which requires bond issuance costs to be fully expensed and no longer capitalized.

2013 and 2014 financial information in the above schedule are presented in conformance with GASB 65. Bond issuance costs are capitalized in all years prior to 2013.

Schedule 3  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
FINANCIAL TREND DATA

INFORMATION ABOUT CHANGES IN NET POSITION - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Expenses</b>										
Instruction	\$ 432,132,184	\$ 423,670,039	\$ 415,372,893	\$ 408,175,828	\$ 422,142,550	\$ 442,536,731	\$ 441,808,481	\$ 407,177,086	\$ 403,090,377	\$ 388,627,073
Instructional support	136,803,668	134,784,289	133,118,676	128,224,560	137,045,510	151,656,591	149,131,288	148,669,302	161,133,974	144,014,281
Administration	2,920,103	5,162,278	5,225,441	4,989,105	6,955,227	6,731,422	6,983,909	9,552,429	10,950,359	9,936,432
Business & support services	117,358,908	113,638,846	97,738,269	114,071,296	115,626,709	110,412,219	105,726,439	108,250,441	8,011,983	8,426,444
Operation & maintenance of plant	66,784,283	64,352,488	64,842,630	59,583,864	69,825,012	73,180,201	62,971,371	58,328,952	56,665,211	68,638,365
Student transportation	20,019,484	19,194,212	18,160,713	17,528,079	18,576,309	19,377,641	20,166,661	20,161,414	20,299,083	19,123,659
Food Services Operation	33,741,893	31,895,344	31,785,794	31,612,152	30,631,978	30,124,909	28,963,002	27,617,816	29,078,823	29,455,316
Facilities Supplies & Materials	52,350,929	52,124,859	61,072,398	45,588,525	75,278,234	30,086,679	40,152,729	48,362,756	31,864,317	48,402,587
Debt Service										
Interest on long-term debt	29,799,559	19,924,169	22,019,051	21,733,146	20,455,297	19,408,034	8,055,034	10,416,916	8,217,510	2,794,728
Depreciation - unallocated	74,668,977	69,582,812	65,518,044	66,993,533	42,648,192	36,781,683	33,443,130	32,038,227	28,470,659	28,406,036
<b>Total Expenses</b>	<b>966,579,988</b>	<b>934,329,336</b>	<b>914,853,909</b>	<b>898,500,088</b>	<b>939,185,018</b>	<b>920,296,110</b>	<b>897,402,044</b>	<b>870,575,339</b>	<b>757,782,296</b>	<b>747,824,921</b>
<b>Program Revenues</b>										
Charges for Services										
Employee benefits	33,025,003	31,458,712	30,365,275	32,842,447	37,989,097	36,614,162	26,571,860	25,517,358	-	-
Food Services Operation	7,602,950	8,404,644	8,619,207	8,854,850	9,613,724	9,778,421	10,171,509	10,806,205	9,813,538	9,008,802
Other Charges for Services	8,678,731	8,597,055	8,437,980	9,292,479	8,476,284	6,439,687	2,978,611	2,017,129	2,059,044	1,796,268
Total Charges for Services	49,306,684	48,460,411	47,422,462	50,989,776	56,079,105	52,832,270	39,721,980	38,340,692	11,872,582	10,805,070
Operating Grants and Contributions	134,284,997	139,985,534	147,552,001	123,904,939	145,253,757	150,267,576	127,070,051	126,941,418	121,084,660	124,138,459
Capital Grants and Contributions	13,164,776	11,560,814	10,178,265	9,815,264	6,738,769	24,660,487	14,524,931	20,737,399	34,124,129	10,098,392
<b>Total Program Revenues</b>	<b>196,756,457</b>	<b>200,006,759</b>	<b>205,152,728</b>	<b>184,709,979</b>	<b>208,071,631</b>	<b>227,760,333</b>	<b>181,316,962</b>	<b>186,019,509</b>	<b>167,081,371</b>	<b>145,041,921</b>
<b>Net (Expense) Revenue</b>	<b>(769,823,531)</b>	<b>(734,322,577)</b>	<b>(709,701,181)</b>	<b>(714,065,995)</b>	<b>(731,113,387)</b>	<b>(692,535,777)</b>	<b>(716,085,082)</b>	<b>(684,555,830)</b>	<b>(590,700,925)</b>	<b>(602,783,000)</b>
<b>General Revenues</b>										
Property taxes:										
Levied for general purposes	5,004,666	5,042,088	4,804,381	4,761,575	4,595,209	4,545,782	4,274,179	4,150,493	4,535,877	3,743,763
Levied for debt service	66,776,126	64,235,532	62,214,506	63,567,100	60,826,278	63,598,426	57,909,583	31,632,788	76,638,213	25,946,034
Levied for capital projects	83,111,765	78,540,408	83,689,294	80,270,401	89,380,289	88,276,942	80,323,366	79,191,888	58,771,935	71,757,176
PSCOC awards	-	-	82,925,067	-	27,081,966	-	-	-	-	-
State equalization guarantee	634,994,929	612,562,319	590,190,332	583,644,192	601,789,251	610,595,016	621,262,717	607,660,123	576,123,653	518,914,097
Interest & investment earnings	779,939	659,624	611,473	345,439	636,130	697,319	4,733,832	9,789,023	14,593,278	7,537,291
Gain/loss on disposal of capital assets	34,222	16,223	179,810	18,847	12,352	585,604	2,499	9,612	(2,733,627)	(302,440)
Miscellaneous	3,762,167	3,883,693	1,226,329	2,292,502	2,065,874	4,660,477	1,652,384	2,253,337	1,591,938	2,924,393
<b>Total General Revenues</b>	<b>794,463,814</b>	<b>764,939,887</b>	<b>825,841,192</b>	<b>734,900,056</b>	<b>786,387,349</b>	<b>772,959,566</b>	<b>770,158,560</b>	<b>734,687,264</b>	<b>729,521,267</b>	<b>630,520,314</b>
Change in Net Position	24,640,283	30,617,310	116,140,011	21,109,947	55,273,962	80,423,789	54,073,478	50,131,434	138,820,342	27,737,314
Net Position Beginning *	84,280,432	1,072,830,218	958,458,132	937,348,185	913,688,561	833,264,772	779,191,294	729,059,857	590,239,515	562,502,201
Net Position Ending	\$ 108,920,715	\$ 1,103,447,528	\$ 1,074,598,143	\$ 958,458,132	\$ 968,962,523	\$ 913,688,561	\$ 833,264,772	\$ 779,191,291	\$ 729,059,857	\$ 590,239,515

\* 2014 Restatement due to implementation of GASB 68 which required the District to report its share of the ERB net pension liability as of 6/30/2015

\* 2013 Restatement due to implementation of GASB 65 which required reclassification of deferred charges for bond issuance costs as expenses as incurred.

\* 2012 Restatement due to accumulated depreciation adjustment

Schedule 4  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
FINANCIAL TREND DATA

INFORMATION ABOUT FUND BALANCES - TOTAL GOVERNMENTAL FUNDS - 10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Fund</b>										
Nonspendable for										
Inventory	\$ 1,816,095	\$ 1,816,418	\$ 1,889,540	\$ 1,723,565	\$ 2,470,561	\$ -	\$ -	\$ -	\$ -	\$ -
Prepays	50,000	50,000	50,000	50,000	350,000	-	-	-	-	-
Committed for Subsequent Year	41,000,000	41,000,000	29,000,000	20,000,000	20,000,000	-	-	-	-	-
Unassigned	7,160,895	192,373	3,877,023	7,255,891	4,628,744	-	-	-	-	-
Reserved for:										
Inventory	-	-	-	-	-	5,234,132	3,246,252	3,375,704	2,852,461	2,549,870
Claims	-	-	-	-	-	-	-	-	-	4,001,000
Prepays	-	-	-	-	-	409,900	350,000	-	-	-
Transportation	-	-	-	-	-	72,507	132,255	133,031	137,334	94,529
Instructional Materials	-	-	-	-	-	2,320,704	3,148,751	2,544,581	1,389,303	1,572,665
Unreserved Desig Sub Years	-	-	-	-	-	-	-	-	-	-
Unreserved, undesig	-	-	-	-	-	15,361,260	28,508,888	42,968,776	40,031,315	6,367,259
Unreserved, undesig (Svc Fund)	-	-	-	-	-	-	-	-	-	-
Restatement Adjustment	-	-	-	-	-	-	-	-	-	-
Unreserved, Undesignated	-	-	-	-	-	15,361,260	28,508,888	42,968,776	40,031,315	6,367,259
<b>Total General Fund</b>	<b>50,026,990</b>	<b>43,058,791</b>	<b>34,816,563</b>	<b>29,029,456</b>	<b>27,449,305</b>	<b>23,398,503</b>	<b>35,386,146</b>	<b>49,022,092</b>	<b>44,410,413</b>	<b>14,585,323</b>
<b>Other Governmental Funds</b>										
Nonspendable for Inventory/Prepays	2,140,089	1,508,318	1,500,176	1,564,992	1,663,487	-	-	-	-	-
Restricted for:										
Transportation	1,055,329	-	-	(381)	3,302	-	-	-	-	-
Instructional Materials	2,238,081	2,789,937	1,635,847	321,585	1,027,817	-	-	-	-	-
Food Service	17,489,272	18,365,379	14,606,894	12,158,606	6,892,441	-	-	-	-	-
Restricted by Grantor	6,234,167	6,953,875	8,208,556	8,229,283	7,819,138	-	-	-	-	-
Athletic Program	1,499,148	1,676,810	1,638,853	1,516,581	1,446,866	-	-	-	-	-
Capital projects	183,779,884	173,411,275	170,097,574	181,632,911	210,862,432	-	-	-	-	-
Debt Service Fund	73,389,657	68,298,357	68,314,017	63,696,205	56,731,992	-	-	-	-	-
Committed for Subsequent Year	-	-	-	-	-	-	-	-	-	-
Reserved for inventory		-	-	-	-	1,383,981	1,354,308	1,550,845	1,211,157	969,393
Undesignated, reported in:										
Capital Projects	-	-	-	-	-	105,470,740	184,801,219	107,103,039	129,714,537	96,836,150
Special Revenue Funds	-	-	-	-	-	17,174,714	16,475,077	14,325,980	8,753,443	6,209,230
Debt Service	-	-	-	-	-	51,764,922	28,553,941	59,350,822	30,918,292	24,563,627
<b>Total Other Governmental Funds</b>	<b>287,825,627</b>	<b>273,003,951</b>	<b>266,001,917</b>	<b>269,119,782</b>	<b>286,447,475</b>	<b>175,794,357</b>	<b>231,184,545</b>	<b>182,330,686</b>	<b>170,597,429</b>	<b>128,578,400</b>
<b>Total Governmental Funds</b>	<b>\$ 337,852,617</b>	<b>\$ 316,062,742</b>	<b>\$ 300,818,480</b>	<b>\$ 298,149,238</b>	<b>\$ 313,896,780</b>	<b>\$ 199,192,860</b>	<b>\$ 266,570,691</b>	<b>\$ 231,352,778</b>	<b>\$ 215,007,842</b>	<b>\$ 143,163,723</b>

1a- 2010 Restated per GASB 54

Schedule 5  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
FINANCIAL TREND DATA

CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS -10 YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUES</b>										
Property taxes	\$ 154,925,855	\$ 150,568,825	\$ 152,527,631	\$ 150,743,675	\$ 149,975,114	\$ 154,874,210	\$ 147,341,169	\$ 140,128,561	\$ 101,805,469	\$ 95,430,062
State grants	687,035,418	658,359,206	635,935,903	616,924,329	611,178,101	610,408,967	673,293,581	665,189,762	641,955,286	560,539,986
Federal revenue	97,956,174	104,701,342	111,845,678	100,290,970	140,297,917	166,598,485	86,751,992	85,790,846	85,592,891	83,744,579
Miscellaneous	18,348,895	21,888,862	19,506,971	20,659,638	22,823,646	29,998,914	17,617,131	19,865,011	17,535,758	17,539,053
Interest	692,262	590,626	531,251	290,832	540,432	578,512	4,168,638	8,498,690	12,091,225	3,547,876
Total revenues	958,958,604	936,108,861	920,347,434	888,909,444	924,815,210	962,459,088	929,172,511	919,472,870	858,980,629	760,801,556
<b>EXPENDITURES</b>										
Instruction	470,865,198	461,581,415	450,209,349	441,385,087	458,326,077	477,625,057	471,984,644	451,720,649	401,870,768	388,613,555
Instructional Support	149,134,062	146,272,643	143,819,675	138,240,865	147,918,426	163,768,858	158,466,246	147,877,967	160,185,240	144,027,608
Subtotal Administration	8,224,417	8,070,285	8,478,957	7,105,404	8,600,307	8,003,742	7,483,338	9,799,296	10,950,359	9,937,332
Business & Support Svcs	22,111,538	21,778,780	21,301,106	20,841,503	23,826,891	20,511,880	21,695,124	22,847,617	8,011,983	8,426,444
Operation & Maintenance of Plant	77,557,637	75,343,411	77,024,324	71,631,056	74,222,410	77,548,626	74,332,397	69,683,890	56,060,423	68,638,366
Student Transportation	22,628,047	19,890,757	18,989,915	18,351,779	18,624,007	19,465,567	20,937,785	20,181,283	20,299,083	19,123,659
Food Services Operations	37,584,390	33,342,300	33,584,832	33,225,335	32,491,526	32,117,386	30,298,675	29,118,076	29,078,823	29,455,316
Capital outlay, facilities supplies & materials	175,653,860	135,683,067	116,911,784	118,173,087	156,988,516	205,955,611	354,057,872	201,469,951	131,369,644	96,580,451
Debt service										
Principal	50,013,439	47,368,694	49,781,791	34,986,791	43,366,791	21,726,791	88,846,792	24,931,791	14,316,229	19,283,387
Interest	29,165,754	19,847,832	22,703,410	21,849,824	19,115,337	18,046,115	11,351,158	3,347,228	5,590,483	2,794,728
Bond issuance costs	1,219,579	413,933	675,351	710,256	948,847	302,471	809,959	132,606	248,868	
Total expenditures	1,044,157,921	969,593,117	943,480,494	906,500,987	984,429,135	1,045,072,104	1,240,263,990	981,110,354	837,981,903	786,880,846
Excess (deficiency) of revenues over (under) expenditures	(85,199,317)	(33,484,256)	(25,045,695)	(19,504,178)	(59,613,925)	(82,613,016)	(311,091,479)	(61,637,484)	20,998,726	(26,079,290)
<b>Other Financing Sources (Uses)</b>										
Transfers										
Reimbursements to Grantors		-	(210)	(248,429)	(349,653)	(19,098)	(7,317)			
Bond issuance premiums	25,134,192	2,585,024	5,442,512	-	6,397,495	1,984,283	9,616,709	2,982,420	1,350,955	
Payments to escrow agents	(102,450,000)	-	(32,310,000)	-	(9,270,000)	(17,830,000)	-		(14,485,563)	
Debt issuance	90,000,000	46,143,494	13,000,000	-	168,600,000	14,300,000	336,700,000	75,000,000	63,980,000	7,375,000
Issuance of refunding debt	94,305,000	-	39,670,000	-	8,940,000	16,800,000				
Total other financing sources (uses)	106,989,192	48,728,518	25,802,302	1,664,206	174,317,842	15,235,185	346,309,392	77,982,420	50,845,392	7,375,000
Net changes in fund balances	21,789,875	15,244,262	2,669,242	(17,839,971)	114,703,917	(67,377,831)	35,217,913	16,344,936	71,844,118	(18,704,290)
Fund balances - beginning of year	316,062,742	300,818,480	298,149,238	313,896,777	199,192,860	266,570,691	231,352,778	215,007,842	143,163,724	161,868,014
Prior Period Restatement	-	-	-	2,092,432	-	-	-	-	-	-
Fund balances - end of year	\$ 337,852,617	\$ 316,062,742	\$ 300,818,480	\$ 298,149,238	\$ 313,896,777	\$ 199,192,860	\$ 266,570,691	\$ 231,352,778	\$ 215,007,842	\$ 143,163,724
Debt service as percentage of noncapital expenditures	8.7%	7.6%	8.4%	6.8%	7.1%	4.6%	10.9%	3.5%	2.7%	3.1%

Schedule 6  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
INFORMATION ON REVENUE CAPACITY

INFORMATION ABOUT ASSESSED VALUES - 10 YEARS

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
<b>Total Direct Tax Rate</b>	<b>10.624</b>	<b>10.632</b>	<b>10.635</b>	<b>10.641</b>	<b>10.656</b>	<b>10.650</b>	<b>10.651</b>	<b>10.636</b>	<b>10.575</b>	<b>10.585</b>
<b>Assessments</b>	Detail not yet available.									
Value of Land		\$ 5,998,412,077	\$ 5,952,979,105	\$ 5,906,813,865	\$ 5,887,056,085	\$ 6,706,951,740	\$ 6,726,695,811	\$ 6,769,211,315	\$ 6,394,572,060	\$ 5,693,080,262
Improvements		11,586,717,135	11,309,860,160	11,130,654,783	11,195,706,123	11,058,299,018	11,369,298,821	10,320,388,566	9,813,287,143	8,877,313,998
Personal Property		423,964,859	410,972,559	417,744,022	418,705,974	438,643,661	465,300,720	461,036,145	431,496,787	409,343,511
Mobile Homes		47,500,004	48,070,176	48,209,149	49,764,320	51,782,208	54,246,774	51,821,632	52,449,749	58,217,349
Livestock		1,001,787	1,048,857	1,005,793	1,144,286	1,225,460	1,324,108	1,253,629	1,571,404	1,493,732
<i>Assessor's Total Valuation</i>		<u>\$ 18,057,595,862</u>	<u>\$ 17,722,930,857</u>	<u>\$ 17,504,427,612</u>	<u>\$ 17,552,376,788</u>	<u>\$ 18,256,902,087</u>	<u>\$ 18,616,866,234</u>	<u>\$ 17,603,711,287</u>	<u>\$ 16,693,377,143</u>	<u>\$ 15,039,448,852</u>
<b>Less Exemptions</b>										
Head of Family		\$ 198,923,200	\$ 198,649,431	\$ 198,426,899	\$ 199,111,272	\$ 196,472,571	\$ 187,188,776	\$ 185,670,083	\$ 185,854,910	\$ 185,565,058
Veterans		279,185,992	271,467,283	262,668,629	255,765,498	246,647,703	241,032,241	222,996,269	215,218,273	203,541,976
Other		<u>2,970,475,406</u>	<u>2,967,147,829</u>	<u>2,898,393,631</u>	<u>2,892,645,981</u>	<u>3,634,036,123</u>	<u>3,510,686,030</u>	<u>3,428,163,155</u>	<u>3,346,344,712</u>	<u>3,017,608,941</u>
<i>Total Exemptions</i>		<u>\$ 3,448,584,598</u>	<u>\$ 3,437,264,543</u>	<u>\$ 3,359,489,159</u>	<u>\$ 3,347,522,751</u>	<u>\$ 4,077,156,397</u>	<u>\$ 3,938,907,047</u>	<u>\$ 3,836,829,507</u>	<u>\$ 3,747,417,895</u>	<u>\$ 3,406,715,975</u>
<b>Assessors Net Valuation</b>	\$ 14,691,274,153	\$ 14,609,011,264	\$ 14,285,666,314	\$ 14,144,938,453	\$ 14,204,854,037	\$ 14,179,745,690	\$ 14,677,959,187	\$ 13,766,881,780	\$ 12,945,959,248	\$ 11,632,732,877
<b>Central Assessed</b>	<u>485,801,905</u>	<u>486,445,306</u>	<u>471,532,736</u>	<u>501,031,823</u>	<u>498,742,594</u>	<u>489,869,794</u>	<u>422,159,016</u>	<u>477,970,749</u>	<u>478,319,628</u>	<u>446,489,372</u>
<b>Total Assessed Valuation</b>	<u>\$ 15,177,076,058</u>	<u>\$ 15,095,456,570</u>	<u>\$ 14,757,199,050</u>	<u>\$ 14,645,970,276</u>	<u>\$ 14,703,596,631</u>	<u>\$ 14,669,615,484</u>	<u>\$ 15,100,118,203</u>	<u>\$ 14,244,852,529</u>	<u>\$ 13,424,278,876</u>	<u>\$ 12,079,222,249</u>
<b>Residential</b>	<u>\$ 11,486,313,163</u>	<u>\$ 11,248,957,181</u>	<u>\$ 10,933,360,182</u>	<u>\$ 10,734,595,776</u>	<u>\$ 10,628,874,088</u>	<u>\$ 10,566,359,915</u>	<u>\$ 10,775,752,995</u>	<u>\$ 10,278,917,835</u>	<u>\$ 9,496,659,135</u>	<u>\$ 8,639,709,179</u>
<b>Non-Residential</b>	<u>3,690,762,895</u>	<u>3,846,499,389</u>	<u>3,823,838,868</u>	<u>3,911,374,500</u>	<u>4,074,722,543</u>	<u>4,103,114,034</u>	<u>4,324,365,208</u>	<u>3,965,934,694</u>	<u>3,685,873,376</u>	<u>3,439,513,070</u>
<b>Total</b>	<u>\$ 15,177,076,058</u>	<u>\$ 15,095,456,570</u>	<u>\$ 14,757,199,050</u>	<u>\$ 14,645,970,276</u>	<u>\$ 14,703,596,631</u>	<u>\$ 14,669,473,949</u>	<u>\$ 15,100,118,203</u>	<u>\$ 14,244,852,529</u>	<u>\$ 13,182,532,511</u>	<u>\$ 12,079,222,249</u>
<i>Estimated Actual value</i>	<u>\$ 55,876,981,968</u>	<u>\$ 54,350,064,627</u>	<u>\$ 53,554,579,977</u>	<u>\$ 53,554,579,977</u>	<u>\$ 54,153,358,146</u>	<u>\$ 54,698,755,140</u>	<u>\$ 54,245,046,108</u>	<u>\$ 53,534,485,941</u>	<u>\$ 50,789,851,218</u>	<u>\$ 45,878,863,260</u>
<b>Cross County Assessed Valuation</b>										
<b>Bernalillo County</b>	<u>\$ 14,832,114,991</u>	<u>\$ 14,743,206,829</u>	<u>\$ 14,413,800,252</u>	<u>\$ 14,303,913,042</u>	<u>\$ 14,363,716,915</u>	<u>\$ 14,297,609,856</u>	<u>\$14,734,387,233</u>	<u>\$13,892,625,134</u>	<u>\$ 12,872,512,863</u>	<u>\$ 11,803,726,360</u>
<b>Sandoval County <sup>(1)</sup></b>	<u>344,961,067</u>	<u>352,249,741</u>	<u>343,398,798</u>	<u>342,057,234</u>	<u>339,879,716</u>	<u>371,864,093</u>	<u>365,730,970</u>	<u>352,227,395</u>	<u>310,019,648</u>	<u>275,495,889</u>
<b>Total</b>	<u>\$ 15,177,076,058</u>	<u>\$ 15,095,456,570</u>	<u>\$ 14,757,199,050</u>	<u>\$ 14,645,970,276</u>	<u>\$ 14,703,596,631</u>	<u>\$ 14,669,473,949</u>	<u>\$ 15,100,118,203</u>	<u>\$ 14,244,852,529</u>	<u>\$ 13,182,532,511</u>	<u>\$ 12,079,222,249</u>

(1) Portion of Corrales located in Sandoval County (2A-In Corrales & 2AC - Albuquerque/Corrales).

Source: Official Statement Dated September 2, 2015

Schedule 7  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
INFORMATION ON REVENUE CAPACITY

INFORMATION ABOUT ASSESSED VALUATION - 10 YEARS

HISTORY OF ASSESSED VALUATION BY ENTITY

Following is a ten year history of assessed valuation for the District compared with Bernalillo County and Sandoval County

Tax Year	Albuquerque School District	Bernalillo County	Sandoval County
2015*	\$ 15,177,076,058	\$ 14,925,292,293	\$ 3,198,274,434
2014	15,095,456,570	14,835,047,140	3,207,733,623
2013	14,757,199,050	14,925,292,293	3,181,176,419
2012	14,645,970,276	14,394,423,187	3,180,127,526
2011	14,703,596,631	14,452,760,775	3,222,126,760
2010	14,669,473,949	14,014,237,067	3,354,830,744
2009	15,100,118,203	14,823,104,676	3,432,805,105
2008	14,244,852,529	13,976,092,003	3,259,727,705
2007	13,182,532,511	12,948,307,067	2,862,819,902
2006	11,926,144,157	11,715,540,463	2,080,852,068

\* Preliminary, subject to change

Source: Official Statement Dated September 2, 2015

Schedule 8  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
INFORMATION ON REVENUE CAPACITY

INFORMATION ABOUT ASSESSED VALUATION - 10 YEARS

<b>Tax Year</b>	<b>Assessed Valuation</b>	<b>% Growth</b>
2015*	\$ 15,177,076,058	0.5%
2014	15,095,456,570	2.3%
2013	14,757,199,050	0.8%
2012	14,645,970,276	-0.4%
2011	14,703,596,631	0.2%
2010	14,669,473,949	-2.9%
2009	15,100,118,203	6.0%
2008	14,244,852,529	8.1%
2007	13,182,532,511	9.1%
2006	12,079,222,249	5.5%
Average Annual Growth Rate		2.9%

\* Preliminary, subject to change

Source: Official Statement Dated September 2, 2015



Schedule 9  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
INFORMATION ON REVENUE CAPACITY

INFORMATION ABOUT TAX RATES - 10 YEARS

Following is a ten year history of APS School tax rates

	<u>Operational</u>		<u>Two Mill Levy</u>		<u>HB 33 Levy</u>			<u>Debt Service</u>		<u>Total</u>	
		<u>Non-</u>		<u>Non-</u>		<u>Non-</u>	<u>GO</u>	<u>Ed Tech</u>	<u>Combined</u>		<u>Non-</u>
<u>Tax Year</u>	<u>Residential</u>	<u>Residential</u>	<u>Residential</u>	<u>Residential</u>	<u>Residential</u>	<u>Residential</u>	<u>Bonds</u>	<u>Notes</u>	<u>Debt Service</u>	<u>Residential</u>	<u>Residential</u>
2014	\$0.276	\$0.500	\$1.983	\$2.000	\$3.841	\$4.344	\$3.787	\$0.644	\$4.431	\$10.531	\$11.275
2013	0.278	0.500	2.000	2.000	3.874	4.344	3.883	0.430	4.313	10.465	11.157
2012	0.274	0.500	2.000	2.000	3.874	4.344	3.416	0.899	4.315	10.463	11.159
2011	0.264	0.500	2.000	2.000	3.874	4.344	4.020	0.294	4.314	10.452	11.158
2010	0.256	0.500	2.000	2.000	3.874	4.344	4.317	0.000	4.317	10.447	11.161
2009	0.244	0.500	2.000	2.000	3.874	4.344	4.316	0.000	4.316	10.434	11.160
2008	0.238	0.500	1.999	2.000	3.812	4.344	4.304	0.000	4.304	10.353	11.148
2007	0.238	0.500	2.000	2.000	3.813	4.344	4.308	0.000	4.308	10.359	11.152
2006	0.241	0.500	1.994	2.000	3.862	4.344	2.167	0.000	2.167	8.264	9.011
2005	0.242	0.460	2.000	1.841	3.874	4.344	2.162	0.000	2.162	8.278	8.807

Source: Official Statement Dated September 2, 2015

**STATEWIDE AVERAGE:**

<u>Tax Year</u>	<u>Operational</u>		<u>Two Mill Levy</u>		<u>HB 33 Levy</u>		<u>GO Bonds</u>	<u>ETNs</u>	<u>Total</u>	
	<u>Residential</u>	<u>Non- Residential</u>	<u>Residential</u>	<u>Non- Residential</u>	<u>Residential</u>	<u>Residential</u>			<u>Residential</u>	<u>Non- Residential</u>
2014	\$0.325	\$0.473	\$1.939	\$1.966	\$0.388	\$0.411	\$5.180	\$0.302	\$8.121	\$8.317

Source: New Mexico Public Education Department

Schedule 10  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
INFORMATION ON REVENUE CAPACITY

INFORMATION ABOUT OVERLAPPING TAX RATES - 10 YEARS

Article VIII, section 2, of the New Mexico Constitution limits the total ad valorem taxes for operational purposes levied by all overlapping governmental units within in the District to \$20.00 per \$1,000 of assessed value. This limitation does not apply to levies for public debt and levies for additional taxes if authorized at an election by a majority of the qualified voters of the jurisdiction voting on the question. The following table summarizes the tax situation on residential property in Bernalillo County for the tax year 2014 and the previous nine years. A high level of taxation may impact the District's ability to repay the Notes and Bonds.

**Bernalillo County**  
**Within 20 Mill Limit for General Purposes**

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>Total Levy</b>										
State of New Mexico	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Bernalillo County	7.254	7.320	7.208	6.866	6.665	6.340	6.184	6.183	6.113	6.131
City of Albuquerque	6.494	6.544	6.544	6.544	6.389	6.072	3.971	2.970	3.012	3.028
AMAFCA <sup>(1)</sup>	0.177	0.179	0.176	0.170	0.165	0.165	0.165	0.167	0.178	0.180
Albuquerque MSD # 12	0.276	0.278	0.274	0.264	0.256	0.244	0.238	0.238	0.241	0.242
<b>Total</b>	<b>\$14.201</b>	<b>\$14.321</b>	<b>\$14.202</b>	<b>\$13.844</b>	<b>\$13.475</b>	<b>\$12.821</b>	<b>\$10.558</b>	<b>\$9.558</b>	<b>\$9.544</b>	<b>\$9.581</b>

**Over 20 Mill Limit - Interest, Principal, Judgment, etc.**

State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.362	\$1.530	\$1.150	\$1.250	\$1.221	\$1.291	\$1.234
Bernalillo County	1.277	1.259	0.910	1.010	0.669	0.994	0.995	1.004	1.098	1.149
City of Albuquerque	4.976	4.976	4.976	4.976	4.976	4.976	6.976	7.976	7.976	7.976
AMAFCA <sup>(1)</sup>	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675	0.675
Albuquerque MSD #12	10.255	10.187	10.189	10.188	10.191	10.190	10.115	10.121	8.023	8.036
UNM Hospital	6.342	6.400	6.400	6.400	6.400	6.400	6.401	6.400	6.482	6.500
Central New Mexico Community College	3.377	3.392	3.344	3.237	3.158	3.046	2.990	2.992	3.027	3.038
<b>Total</b>	<b>\$28.262</b>	<b>\$28.249</b>	<b>\$27.854</b>	<b>\$27.848</b>	<b>\$27.599</b>	<b>\$27.431</b>	<b>\$29.402</b>	<b>\$30.389</b>	<b>\$28.572</b>	<b>\$28.608</b>

**TOTAL LEVY**

<b>City of Albuquerque</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
State of New Mexico	\$1.360	\$1.360	\$1.360	\$1.362	\$1.530	\$1.150	\$1.250	\$1.221	\$1.291	\$1.234
Bernalillo County	8.531	8.579	8.118	7.876	7.334	7.334	7.179	7.187	7.211	7.280
City of Albuquerque	11.470	11.520	11.520	11.520	11.365	11.048	10.947	10.946	10.988	11.004
AMAFCA <sup>(1)</sup>	0.852	0.854	0.851	0.845	0.840	0.840	0.840	0.842	0.853	0.855
Albuquerque MSD #12	10.531	10.465	10.463	10.452	10.447	10.434	10.353	10.359	8.264	8.278
UNM Hospital	6.342	6.400	6.400	6.400	6.400	6.400	6.401	6.400	6.482	6.500
Central New Mexico Community College	3.377	3.392	3.344	3.237	3.158	3.046	2.990	2.992	3.027	3.038

<b>Total Residential</b>	<b>\$42.463</b>	<b>\$42.570</b>	<b>\$42.056</b>	<b>\$41.692</b>	<b>\$41.074</b>	<b>\$40.252</b>	<b>\$39.960</b>	<b>\$39.947</b>	<b>\$38.116</b>	<b>\$38.189</b>
<b>Total Non-Residential in</b>	<b>\$46.132</b>	<b>\$45.995</b>	<b>\$45.648</b>	<b>\$45.651</b>	<b>\$45.480</b>	<b>\$45.424</b>	<b>\$45.613</b>	<b>\$45.692</b>	<b>\$44.749</b>	<b>\$42.493</b>

**Village of Corrales**

Residential	\$30.911	\$31.255	\$30.816	\$28.859	\$28.406	\$30.902	\$31.209	\$31.449	\$29.065	\$29.753
Non-Residential	\$37.864	\$38.361	\$37.368	\$34.228	\$32.524	\$37.197	\$37.361	\$38.471	\$36.782	\$34.938

**Village of Los Ranchos**

Residential	\$31.141	\$31.055	\$30.536	\$30.273	\$29.857	\$29.278	\$29.173	\$29.159	\$26.275	\$26.330
Non-Residential	\$35.612	\$36.700	\$36.353	\$35.076	\$34.948	\$34.818	\$35.093	\$35.172	\$32.100	\$30.170

(1) Albuquerque Metropolitan Arroyo Flood Control Authority.

Schedule 11  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
INFORMATION ON REVENUE CAPACITY

INFORMATION ABOUT PRINCIPAL REVENUE PAYERS

<u>Taxpayer</u>	<u>Business</u>	<u>2014 Valuation</u>	<u>% of Total A.V.</u>
Public Service Co. of New Mexico	Electric Utility	\$175,028,144	1.16%
Qwest Communications	Telecommunications	60,622,508	0.40%
Gas Company of New Mexico	Gas Utility	40,943,936	0.27%
Comcast	Cable Provider	29,590,859	0.20%
Verizon	Wireless Communications	18,849,411	0.12%
Simon Property Group	Retail	15,962,333	0.11%
AHS Medical Center	Medical	12,051,009	0.08%
Southwest Airlines	Airline	17,390,944	0.12%
AT&T	Telecommunications	10,525,008	0.07%
T-Mobile	Telecommunications	<u>11,662,172</u>	<u>0.08%</u>
Top Ten Centrally and Locally Assessed Values		\$392,626,324	2.61%
Total 2014 Assessed Valuation		\$15,095,456,507	

<u>Taxpayer</u>	<u>Business</u>	<u>2005 Valuation</u>	<u>% of Total A.V.</u>
QWest Communications	Telecommunications	\$82,816,060	0.69%
Public Service Co. of New Mexico	Electric Utility	67,745,950	0.57%
Southwest Airlines	Airline	20,079,667	0.17%
Comcast Cablevision	Cable Company	19,394,182	0.16%
Heitman Properties of NM	Retail	19,111,489	0.16%
Simon Property Group	Retail	16,684,032	0.14%
Verizon	Wireless Communications	16,585,876	0.14%
Public Service Co. of New Mexico	Gas Utility	16,204,457	0.14%
Crescent Real Estate	Hotel	15,965,071	0.13%
Voicestream	Telecommunications	<u>13,534,419</u>	<u>0.11%</u>
Top Ten Centrally and Locally Assessed Values		\$288,121,203	2.41%
Total 2004 Assessed Valuation		\$11,926,144,157	

Source: Official Statement Dated September 2, 2015

Source: Official Statement Dated September 6, 2006

Schedule 12  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
INFORMATION ON REVENUE CAPACITY

INFORMATION ABOUT TAX LEVIES AND COLLECTIONS - 10 YEARS

**Bernalillo County**

Tax	Fiscal	Net Taxes	Current	Current/	Current/Delinquent
Year	Year	Charged to	Tax	Delinquent Tax	Collections as a
		Treasurer	Collections <sup>(1)</sup>	Collections <sup>(2)</sup>	% of Net Levied
2014	14/15	\$626,867,177	\$606,258,064	\$606,258,064	96.71%
2013	13/14	613,838,522	430,243,897	605,201,600	98.59%
2012	12/13	601,844,884	580,736,950	698,044,775	99.37%
2011	11/12	593,019,949	570,354,626	590,340,847	99.55%
2010	10/11	585,432,230	559,806,155	581,960,092	99.41%
2009	09/10	594,170,426	561,435,327	584,836,340	98.43%
2008	08/09	565,045,755	541,204,499	562,335,609	99.52%
2007	07/08	533,488,014	513,363,469	530,519,998	99.44%
2006	06/07	459,924,205	443,198,371	457,738,164	99.52%
2005	05/06	427,818,360	411,172,774	426,755,529	99.75%

(1) As of June 30 of each fiscal year.

(2) As of June 30, 2015

Source: Official Statement Dated September 2, 2015

**Sandoval County**

Tax	Fiscal	Net Taxes	Current	Current/	Current/Delinquent
Year	Year	Charged to	Tax	Delinquent Tax	Collections as a
		Treasurer	Collections <sup>(1)</sup>	Collections <sup>(2)</sup>	% of Net Levied
2014	14/15	\$115,903,449	\$111,651,378	\$111,654,378	96.33%
2013	13/14	115,729,254	111,929,449	113,605,377	98.16%
2012	12/13	114,396,660	109,098,898	113,448,360	99.17%
2011	11/12	111,924,650	107,182,149	111,411,687	99.54%
2010	10/11	113,276,279	107,439,020	113,238,799	99.97%
2009	09/10	110,756,928	104,094,225	110,023,204	99.34%
2008	08/09	87,852,988	81,821,415	87,534,928	99.64%
2007	07/08	75,464,680	70,795,219	74,173,559	98.29%
2006	06/07	61,559,342	56,076,117	58,771,924	95.47%
2005	05/06	50,318,727	48,414,225	50,578,473	100.52%
2004	04/05	45,070,232	43,062,828	44,974,285	99.79%

(1) As of June 30 of each fiscal year.

(2) As of June 30, 2015

Source: Official Statement Dated September 2, 2015

Schedule 13  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12

DEBT CAPACITY INFORMATION

Outstanding Debt at June 30, 2015

**Bonded Debt**

Series <sup>(1)</sup>	Original Amount Issued <sup>(1)</sup>	Final Maturity <sup>(1)</sup>	Principal Outstanding <sup>(1), (4)</sup>
2004 QZAB	\$ 4,625,000	8/1/2020	\$ 1,223,805
2006 QZAB	7,160,000	8/1/2020	2,196,046
2006C GOB 10/2006	63,980,000	8/1/2021	2,950,000
2007 GOB 12/2007	75,000,000	8/1/2022	10,000,000
2008B GOB	134,000,000	8/1/2023	18,000,000
2009 General Obligation Bonds (2009)	124,700,000	8/1/2022	83,600,000
2009C QSCB	14,300,000	8/1/2024	14,300,000
2009D Refunding	16,800,000	8/1/2018	13,410,000
2010A GOB Regular Bonds	85,410,000	8/1/2021	63,500,000
2010B GOB QSCB	32,690,000	8/1/2027	32,690,000
2010C GOB BAB	31,900,000	8/1/2024	31,900,000
2011 GOB Refunding	8,940,000	8/1/2016	4,735,000
2011 Education Technology Notes	18,600,000	8/1/2015	5,000,000
2012 Refunding	39,670,000	8/1/2021	29,660,000
2012 Education Technology Notes	13,000,000	8/1/2017	4,650,000
2013 GOB	43,400,000	8/1/2029	36,000,000
2014 GOB	75,000,000	8/1/2029	75,000,000
2014B Refunding	94,305,000	8/1/2023	94,305,000
2012 Education Technology Notes	15,000,000	8/1/2019	15,000,000
Total Bonded Debt	898,480,000		\$ 538,119,851

**Other Debt**

2013 DATA Lease Purchase Loan	2,743,494	6/1/2033	2,554,943
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<b>Total Debt</b>	<b>\$ 901,223,494</b>		<b>\$ 540,674,794</b>
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Total personal income \$ 22,906,970,592<sup>(2)</sup>

Total debt to personal income \$.024

Total estimated population 670,893<sup>(3)</sup>

Total debt per capita \$697

1-Source: APS Financial Report-Note 8

2-Source: Albuquerque MSA total personal income per capital (\$34,333) x estimated population (670,893)

3- Source: Official Statement Dated September 2, 2015

4-Net of any premiums, discounts or adjustments

Schedule 14  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEBT INFORMATION

Statement of Estimated Direct and Overlapping Debt

Following is a calculation of the debt load and per capita debt of the District payable from property taxes. In addition to outstanding debt of the district, the calculation takes into account debt attributable to taxing entities which is the responsibility of taxpayers within the boundaries of the District. Revenue bonds are payable from sources other than property taxes.

Entity	2015 Preliminary Assessed Value	G/O Debt Outstanding	Percent Applicable <sup>(2)</sup>	Amount
State of New Mexico	\$58,412,964,620	\$389,270,000	25.982%	\$101,141,595
City of Albuquerque	12,243,670,185	342,721,000	100.00%	342,721,000
Bernalillo County	14,925,292,293	114,366,000	98.34%	112,439,195
Sandoval County	3,198,274,434	16,850,000	2.27%	382,723
Central New Mexico Community College	17,264,617,270	71,310,100	87.91%	62,687,593
Village of Los Ranchos	242,466,569	3,175,000	100.00%	3,175,000
AMAFCA	14,561,281,085	38,550,000	100.00%	38,550,000
S. Sandoval County AFCA	2,518,611,787	23,660,000	0.46%	109,782
Subtotal, overlapping debt				661,206,888
Albuquerque MSD #12 direct	15,177,076,058	559,575,000 <sup>(1)</sup>	100.00%	559,575,000 <sup>(1)</sup>
Total Direct & Overlapping Debt				\$1,220,781,888

Ratio of Estimated Direct & Overlapping Debt to 2015 Assessed Valuation: 8.04%

Ratio of Estimated Direct & Overlapping Debt to 2015 Actual Valuation: 2.18%

Per Capita Direct & Overlapping Debt: \$1,819.64

(1) Excludes Refunded Bonds and includes the Bonds and Notes

(2) The percentage of applicable overlapping debt is calculated using assessed property values. Applicable percentages were estimated by determining the portion of each governmental unit's assessed value that is within the District's boundaries and dividing it by each governmental unit's total taxable value.

Schedule 15  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12

**DEBT CAPACITY INFORMATION**  
Debt Requirements to Maturity

**General Obligation Bonds**

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2016	\$ 48,281,792	\$ 20,163,775	\$ 68,445,567
2017	41,716,792	18,573,825	60,290,617
2018	38,996,792	17,013,350	56,010,142
2019	41,671,792	15,372,276	57,044,068
2020	41,969,282	13,641,575	55,610,857
2021-2025	207,093,401	39,194,962	246,288,363
2026-2030	93,740,000	9,495,125	103,235,125
<b>Totals</b>	<b>\$ 513,469,851</b>	<b>\$ 133,454,888</b>	<b>\$ 646,924,739</b>

**Educational Technology Notes**

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2018	\$ 5,450,000	\$ 207,125	\$ 5,657,125
2019	2,250,000	123,750	2,373,750
2020	2,250,000	45,000	2,295,000
<b>Totals</b>	<b>\$ 24,650,000</b>	<b>\$ 1,205,375</b>	<b>\$ 25,855,375</b>

**2013 DATA Lease Purchase Loan**

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>
2016	\$ 107,677	\$ 99,216	\$ 206,893
2017	109,115	97,778	206,893
2018	110,900	95,994	206,894
2019	113,357	93,537	206,894
2020	116,366	90,527	206,893
2021-2025	644,226	390,241	1,034,467
2026-2030	787,988	246,478	1,034,466
2031-2035	565,314	55,365	620,679
<b>Totals</b>	<b>\$ 2,554,943</b>	<b>\$ 1,169,136</b>	<b>\$ 3,724,079</b>

Source: APS Financial Statement-Note 8

Schedule 16  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEBT INFORMATION

LEGAL DEBT MARGIN

Article IX, Section 11 of the New Mexico Constitution limits the powers of a District to incur general obligation debt extending beyond the fiscal year. The District can incur such debt for "the purpose of erecting, remodeling, making additions to and furnishing school buildings or purchasing or improving school grounds or purchasing computer software or hardware for student use in public school classrooms or any combination of these purposes" but only after the proposition to create any such debt has been submitted to a vote of the qualified electors of the District, and a majority of those voting on the question vote in favor of creating the debt. The total indebtedness of the District may not exceed six percent of the assessed valuation of the taxable property within the District as shown by the last preceding general assessment. The District also may create a debt by entering into a lease-purchase arrangement to acquire education technology equipment without submitting the proposition to a vote of the qualified electors of the District, but any such debt is subject to the 6% debt limitation. An issuance of refunding bonds does not have to be submitted to a vote of the qualified electors of the District.

The preliminary valuation of taxable property within the District is \$15,177,076,058 for the tax year 2015. Therefore, the maximum general obligation debt may not exceed \$910,624,563

The calculation of the legal debt margin and ratio of outstanding debt to total personal income for the current and previous nine fiscal years is summarized below:

Fiscal Year	Tax Year	Assessed Value <sup>1</sup>	Debt Limit 6%	Outstanding Debt <sup>2</sup>	Debt Service Fund Balance <sup>2</sup>	Net Debt <sup>3</sup>	Legal Debt Margin <sup>4</sup>	Ratio of Debt Margin to Debt Limit	Estimated Population <sup>5</sup>	Total Net Debt per Capita
2015	2014	\$ 15,095,456,570	\$ 905,727,394	\$ 540,674,794	\$ 73,389,657	\$ 467,285,137	\$ 438,442,257	48%	670,893	\$ 697
2014	2013	14,757,199,050	885,431,943	508,833,234	68,298,357	440,534,877	444,897,066	50%	670,893	\$ 657
2013	2012	14,645,970,276	878,758,217	510,058,435	68,314,017	441,744,418	437,013,799	50%	670,893	\$ 658
2012	2011	14,703,596,631	882,215,798	539,480,227	58,624,175	480,856,052	401,359,746	45%	670,893	\$ 717
2011	2010	14,669,473,949	880,168,437	593,583,990	56,731,992	536,851,998	343,316,439	39%	670,893	\$ 800
2010	2009	15,100,118,203	906,007,092	463,940,223	51,764,922	412,175,301	493,831,791	55%	560,000	\$ 736
2009	2008	14,244,852,529	854,691,152	471,638,009	28,553,941	443,084,068	411,607,084	48%	560,000	\$ 791
2008	2007	13,182,532,511	790,951,951	217,232,025	59,350,822	157,881,203	633,070,748	80%	560,000	\$ 282
2007	2006	11,926,144,157	715,568,649	164,465,561	30,918,292	133,547,269	582,021,380	81%	560,000	\$ 238
2006	2005	11,451,528,185	687,091,691	127,391,613	24,563,627	102,827,986	584,263,705	85%	560,000	\$ 184
2005	2004	10,236,146,834	614,168,810	84,790,000	21,488,614	63,301,386	550,867,424	90%	560,000	\$ 113

1- Source: Bernalillo and Sandoval Counties Assessor's Offices

2- Source: APS financial statements

3- Net debt equals outstanding debt less debt service fund balance

4- Legal debt margin equals debt limit less net debt

5- Estimated population from Official Bond Statements



Schedule 17  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Instruction</b>	7,262	7,699	7,776	8,034	7,791	7,674	7,556	7,824	7,881	7,938
<b>Support Services</b>	1,934	2,086	2,272	3,079	2,973	3,758	3,678	3,961	3,702	3,215
<b>Non-Instructional Services</b>	1,750	1,701	1,719	549	490	526	414	191	503	473
<b>Capital Outlay</b>	84	82	87	82	88	85	86	79	99	-
<b>TOTAL</b>	<b>11,029</b>	<b>11,568</b>	<b>11,854</b>	<b>11,744</b>	<b>11,342</b>	<b>12,043</b>	<b>11,734</b>	<b>12,055</b>	<b>12,185</b>	<b>11,626</b>

*Source: Final Public Education Expenditure Report*

Schedule 18  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

STUDENT ENROLLMENT

Average 80/120 Day Enrollment-Pupil Count-910B-5

	<u>2014-15</u>	<u>2013-14</u>	<u>2012-13</u>	<u>2011-12</u>	<u>2010-11</u>	<u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>
Elementary School	43,926	44,373	44,892	44,844	45,370	45,101	44,778	44,531	44,172	43,488
Middle School	18,629	18,874	19,090	19,251	19,433	19,355	19,532	19,517	19,705	20,047
High School	23,239	23,222	23,187	23,502	23,570	23,580	23,401	23,344	24,133	23,793
APS Authorized Charter Schools	<u>5,650</u>	<u>5,140</u>	<u>5,054</u>	<u>5,024</u>	<u>5,220</u>	<u>6,792</u>	<u>6,955</u>	<u>6,740</u>	<u>6,499</u>	<u>7,362</u>
Total	91,444	91,609	92,223	92,621	93,592	94,827	94,666	94,132	94,509	94,690

Source: Enrollment data is based on the 80/120 day average enrollments from the State Equalization Funding Formula

Schedule 19  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

FINAL FUNDED STATE EQUALIZATION GUARANTEE  
PROGRAM COST

<b>Fiscal Year</b>	<b>Program Unit Value</b>	<b>Number of Program Units</b>	<b>Program Cost</b>	<b>75% Credits</b>	<b>Final Funded SEG</b>
2014-2015	\$ 4,007.75	159,377.78	\$ 638,746,302	\$ (3,751,370)	\$ 634,994,932
2013-2014	\$ 3,817.55	161,453.18	\$ 616,355,572	\$ (3,720,254)	\$ 612,635,318
2012-2013	\$ 3,673.54	161,693.72	\$ 593,988,348	\$ (3,853,666)	\$ 590,134,682
2011-2012	\$ 3,598.87	163,126.23	\$ 587,070,110	\$ (3,672,011)	\$ 583,398,099
2010-2011	\$ 3,712.17	162,940.74	\$ 604,863,794 <sup>-1)</sup>	\$ (3,574,543)	\$ 601,289,251
2009-2010	\$ 3,792.65	162,000.14	\$ 614,409,812 <sup>-2)</sup>	\$ (3,814,796)	\$ 610,595,016
2008-2009	\$ 3,871.79	161,401.11	\$ 624,911,192	\$ (3,648,475)	\$ 621,262,717
2007-2008	\$ 3,674.26	166,348.36	\$ 611,207,133	\$ (3,547,010)	\$ 607,660,123
2006-2007	\$ 3,446.44	167,689.88	\$ 577,933,120	\$ (2,810,191)	\$ 575,122,929
2005-2006	\$ 3,198.01	158,601.40	\$ 521,734,335	\$ (2,820,238)	\$ 518,914,097

<sup>(1)</sup> - Includes \$23,284,057 in Federal ARRA Stabilization Funds

<sup>(2)</sup> - Includes \$54,203,625 in Federal ARRA Stabilization Funds

Source: APS Financial Statements

Schedule 20  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

APS FACILITIES

Facility	Year of Construction	Permanent SF	Portable SF	Total SF
<b>Elementary Schools</b>				
DENNIS CHAVEZ ES	1978	68,242	14,784	83,026
ACOMA ES	1959	45,141	0	45,141
ADOBE ACRES ES	1964	59,108	17,808	76,916
ALAMEDA ES	1954	42,551	3,360	45,911
ALAMOSA ES	1959	53,184	25,088	78,272
ALVARADO ES	1952	43,945	5,376	49,321
APACHE ES	1967	53,678	6,048	59,726
ARMIJO ES	1960	58,119	4,256	62,375
ATRISCO ES	1960	58,781	0	58,781
JOHN BAKER ES	1970	66,847	2,688	69,535
EDMUND G. ROSS ES	1983	58,904	7,840	66,744
HUBERT HUMPHREY ES	1978	47,019	11,860	58,879
BANDELIER ES	1939	62,833	14,224	77,057
BARCELONA ES	1961	61,208	14,337	75,545
ONATE ES	1973-75	33,508	11,424	44,932
BEL-AIR ES	1952-54	61,359	0	61,359
BELLEHAVEN ES	1966	44,802	6,272	51,074
GOVERNOR BENT ES	1963	41,663	24,864	66,527
KIT CARSON ES	1970	52,531	18,368	70,899
CHAPARRAL ES( Including SPED Pre-K)	1984	91,532	39,984	131,516
CHELWOOD ES	1980	61,816	14,336	76,152
COCHITI ES	1961	44,380	7,168	51,548
COLLET PARK ES	1961	42,336	0	42,336
COMANCHE ES	1966	39,621	9,744	49,365
CORONADO ES	1936	43,036	0	43,036
DOLORES GONZALES ES	1975	35,566	11,424	46,990
DURANES ES (E)	1947	51,946	3,584	55,530
MARY ANN BINFORD ES	1984	46,427	27,944	74,371
EAST SAN JOSE ES	1958	60,988	8,848	69,836
EMERSON ES	1952	62,840	3,584	66,424
EUBANK ES	1956	45,890	14,112	60,002
MANZANO MESA ES	2004	65,516	20,496	86,012
EUGENE FIELD ES	1927	48,639	3,584	52,223
EDWARD GONZALES ES	2004	73,601	8,064	81,665
VENTANA RANCH ES	2004	69,761	20,496	90,257
SEVEN BAR ES	2002	63,208	24,080	87,288
GRIEGOS ES	1957	46,749	1,792	48,541
NORTH STAR ES	2006	79,693	0	79,693
HAWTHORNE ES	1954-56	59,951	8,064	68,015
HODGIN ES	1958	63,389	11,536	74,925
PAINTED SKY ES	1998	69,778	32,032	101,810
INEZ ES	1952	60,188	3,584	63,772
KIRTLAND ES	1961	46,586	12,516	59,102
SUSIE RAYOS MARMON ES	2009-10	94,806	7,952	102,758
LA LUZ ES	1955	49,065	2,688	51,753
LA MESA ES	1981	69,541	13,888	83,429
LAVALAND ES	1946	43,171	21,840	65,011
LONGFELLOW ES	1982	47,698	0	47,698
CHAMIZA ES	1995	57,307	15,008	72,315

Schedule 20  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

APS FACILITIES

Facility	Year of Construction	Permanent SF	Portable SF	Total SF
LOS PADILLAS ES	1965	35,945	13,440	49,385
LOWELL ES	1954	41,713	11,648	53,361
MacARTHUR ES	1948	38,612	8,712	47,324
MATHESON PARK ES	1967	33,743	9,744	43,487
McCOLLUM ES	1961	58,847	9,632	68,479
MISSION AVENUE ES	1953	46,533	15,792	62,325
MITCHELL ES	1962	49,227	5,976	55,203
MONTE VISTA ES	1931	54,200	6,272	60,472
MONTEZUMA ES	1953	75,997	0	75,997
PETROGLYPH ES	1992	55,609	25,088	80,697
A. MONTOYA ES	1991	65,971	0	65,971
MOUNTAIN VIEW ES	1952	41,412	15,120	56,532
NAVAJO ES	1967	57,138	26,656	83,794
GEORGIA OKEEFFE ES	2010	91,842	0	91,842
ARROYO DEL OSO ES	1974	40,690	9,968	50,658
REGINALD CHAVEZ ES	1966	41,799	5,968	47,767
OSUNA ES	1968-70	44,289	5,376	49,665
PAJARITO ES	1993	61,662	14,784	76,446
LOS RANCHOS ES	1953	51,601	6,272	57,873
CARLOS REY ES	1959	70,006	26,432	96,438
SAN ANTONITO ES	1958	52,823	896	53,719
SANDIA BASE ES	1949-50	48,982	7,056	56,038
DOUBLE EAGLE ES	1996	62,371	3,584	65,955
CORRALES ES	1964	70,034	0	70,034
SIERRA VISTA ES	1966	53,541	20,384	73,925
SOMBRA DEL MONTE ES	1954-56	54,231	8,064	62,295
S.Y. JACKSON ES	1971	51,288	6,048	57,336
TOMASITA ES	1973	55,759	8,624	64,383
MARK TWAIN ES	1954	59,879	11,200	71,079
MARIE M. HUGHES ES	1981	45,974	23,408	69,382
VALLE VISTA ES	1952	52,480	18,284	70,764
LEW WALLACE ES	1934	34,089	0	34,089
WHERRY ES	1952	52,573	17,864	70,437
WHITTIER ES	1950	58,664	12,768	71,432
ZIA ES	1950	49,231	10,640	59,871
ZUNI ES	1960	46,373	10,528	56,901
TIERRA ANTIGUA ES	2009	85,304	8,512	93,816
RUDOLFO ANAYA ES	2009	85,304	19,376	104,680
SUNSET VIEW ES	2009	85,304	0	85,304
HELEN CORDERO PRIMARY SCHOOL	2009	83,877	0	83,877
<b>Total Elementary Schools (89)</b>		<b>4,993,365</b>	<b>941,061</b>	<b>5,934,426</b>

Schedule 20  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

APS FACILITIES

Facility	Year of Construction	Permanent SF	Portable SF	Total SF
<b>Middle Schools</b>				
JOHN ADAMS MS	1956	104,496	17,584	122,080
CLEVELAND MS	1963	90,564	18,256	108,820
GARFIELD MS	1951	94,301	7,440	101,741
GRANT MS	1961	123,391	16,128	139,519
HARRISON MS	1960	97,508	24,752	122,260
HAYES MS	1963	96,090	12,432	108,522
HOOVER MS	1966	103,765	11,200	114,965
JACKSON MS	1958	79,222	9,520	88,742
JEFFERSON MS	1938	116,204	7,056	123,260
KENNEDY MS	1965	100,230	7,372	107,602
DESERT RIDGE MS	1997	149,015	10,752	159,767
MADISON MS	1959	114,863	9,800	124,663
McKINLEY MS	1956	97,586	9,632	107,218
JIMMY CARTER MS	2000	142,821	30,352	173,173
POLK MS	1968	89,773	0	89,773
ERNIE PYLE MS	1951	113,356	5,264	118,620
ROOSEVELT MS	1950	95,380	3,472	98,852
TAFT MS	1958	106,861	15,008	121,869
TAYLOR MS	1964	97,246	17,024	114,270
VAN BUREN MS	1960	106,826	5,264	112,090
WASHINGTON MS	1982	93,823	3,584	97,407
WILSON MS	1953	103,249	30,156	133,405
TRUMAN MS	1975	126,452	39,312	165,764
EISENHOWER MS	1975	120,817	15,008	135,825
LBJ MS	1992	158,691	7,168	165,859
JAMES MONROE MS	2001	158,138	3,584	161,722
TONY HILLERMAN MS	2009	178,766	0	178,766
GEORGE I. SANCHEZ K-8	2015	180,557	0	180,557
<b>Total Middle Schools (28)</b>		<b>3,239,991</b>	<b>337,120</b>	<b>3,577,111</b>
<b>High Schools</b>				
DEL NORTE HS	1964-65	305,891	0	305,891
ELDORADO HS	1970-71	351,116	19,504	370,620
NEX+GEN ACADEMY HS	2010	46,606	0	46,606
HIGHLAND HS	1949	390,630	3,360	393,990
LA CUEVA HS	1986	387,921	0	387,921
MANZANO HS	1961	315,394	28,000	343,394
RIO GRANDE HS	1959	373,714	17,014	390,728
SANDIA HS	1958	355,748	9,632	365,380
VALLEY HS	1954-55	338,700	10,680	349,380
WEST MESA HS	1967	313,090	52,480	365,570
VOLCANO VISTA HS	2007-2009	484,630	0	484,630
ATRISCO HERITAGE ACADEMY HS	2008-2010	473,000	0	473,000
CIBOLA HS	1975	339,665	54,880	394,545
ALBUQUERQUE HS	1975	314,509	19,600	334,109
<b>Total High Schools (14)</b>		<b>4,790,614</b>	<b>215,150</b>	<b>5,005,764</b>
<b>Total Traditional Schools</b>		<b>13,023,970</b>	<b>1,493,331</b>	<b>14,517,301</b>

Schedule 20  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

APS FACILITIES

Facility	Year of Construction	Permanent SF	Portable SF	Total SF
<b>Alternative Schools</b>				
Sandia Mountain Natural History Center (Sandia Rec)		13,200	0	13,200
eCademy HS - APS Alternative Education Complex	2011	44,273	0	44,273
NEW FUTURES - APS Alternative Education Complex	1989	43,657	0	43,657
CAREER ENRICHMENT CENTER	1975	42,246	11,088	53,334
FREEDOM HS - APS Alternative Education Complex	1950	41,434	0	41,434
SCHOOL ON WHEELS (Hartline SW)	1955	17,546	1,792	19,338
SCHOOL ON WHEELS (Western Trail NW)	2008	0	10,752	10,752
VISION QUEST		0	9,520	9,520
	1952-54 (NewBldg)			
Desert Willow Family School - East Side	2009)	25,606	1,680	27,286
<b>Total Alternative Schools</b>		<b>227,962</b>	<b>34,832</b>	<b>262,794</b>
<b>Total Schools</b>		<b>13,251,932</b>	<b>1,528,163</b>	<b>14,780,095</b>
<b>Administrative Facilities</b>				
CITY CENTRE	1974	178,851	0	178,851
Aztec Complex	1957	35,025	9,744	44,769
Montgomery Complex	1955	35,832	20,832	56,664
FOOD SERVICES(Rankin)	1981	19,261	5,152	24,413
FOOD SERVICES (old Kmart on Louisiana)	1960?-2015	101,773	0	101,773
KANW RADIO STATION	1950-2015	3,609	0	3,609
<b>LINCOLN COMPLEX</b>				
Lincoln - Main Building	1922	32,061		32,061
Special Projects	1950	6,561		6,561
Minor Shops Building	1955	3,364		3,364
Minor Shops Building	1969	16,191		16,191
Warehouse Yard Area	1965	10,280		10,280
Major Shops Building	1949	13,866		13,866
Warehouse Building	1949/55/61	32,078		32,078
Building Services - Mechanical/ Electrical	1940	3,648		3,648
Carpentry	31.54098361	14,826		14,826
Fleet Maintenance Repair Shop	2003	19,944		19,944
Environmental Management Sheds			764	764
Welding Building	1995	7,222		7,222
Central Kitchen / Materials Warehouse	1974	84,643	818	85,461
Facilities Design and Construction	1924	5,627		5,627
DLITS / Data Center	1987	34,727		34,727
Salvage	1974		5,858	5,858
Play Ground Repair & Construction	1940	5,253		5,253
Grounds Building	1970		3,649	3,649
Mason building	1992	2,157		2,157
Structural Shops Shed	1940	2,256		2,256
RDA	2009	5,600		5,600
Mail Room			1,792	1,792

Schedule 20  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
OPERATING DATA

APS FACILITIES

Facility	Year of Construction	Permanent SF	Portable SF	Total SF
<b><u>Lowell West Admin Park</u></b>				
ACCESS (Lowell West)		0	9,856	9,856
Clothing Bank(Lowell West)		0	4,480	4,480
ROTC (Lowell West)		0	1,792	1,792
Title 1(Lowell West)		0	8,960	8,960
NW Diagnostic Ctr @ Chaparral (Portable Complex)	2010	0	8,960	8,960
NE Diagnostic Ctr @ Aztec (Portable Complex)	2010	0	9,632	9,632
SE Diagnostic Ctr (SpEd Diagnostician Office Park) Lowell East	2010	0	13,440	13,440
MILNE STADIUM	1939	21,256	0	21,256
WILSON STADIUM	1961	7,214	0	7,214
NW Soccer Complex	2009	4,032	0	4,032
APS Community Stadium	2013	33,088	0	33,088
<b>Total Admin</b>		<b>740,245</b>	<b>105,729</b>	<b>845,974</b>
<b>Total APS Facilities</b>		<b>13,992,177</b>	<b>1,633,892</b>	<b>15,626,069</b>
<b><u>Charter Schools</u></b>				
Montessori of the Rio Grande Charter School		21,745	1,680	23,425
Native American Community Academy		0	0	0
RFK Middle School		4,536	0	4,536
Public Academy for Performing Arts	portables only	0	29,344	29,344
Robert F. Kennedy High School	2014	15,714	43,904	59,618
South Valley Academy HS		41,562	0	41,562
South Valley Academy MS			10	
Digital Arts & Technology Academy DATA		50,124	0	50,124
<b>Total Charter Schools</b>		<b>83,557</b>	<b>74,938</b>	<b>15,485</b>
<b>Total APS Facilities (Including Charters Schools)</b>		<b>14,075,734</b>	<b>1,708,830</b>	<b>15,784,564</b>



Schedule 21  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEMOGRAPHIC INFORMATION

POPULATION INFORMATION

US Census <u>Year</u>	Albuquerque <u>MSA</u>	% <u>Change</u>	State of <u>New Mexico</u>	% <u>Change</u>
1960	323,473		951,023	
1970	379,132	17.2%	1,017,055	6.9%
1980	492,922	30.0%	1,303,143	28.1%
1990	599,416	21.6%	1,515,069	16.3%
2000	729,649	21.7%	1,821,078	20.2%
2010	867,318	18.9%	2,065,826	13.4%
2020	N/A		2,351,724	13.8%
2030	N/A		2,613,332	11.1%
2040	N/A		2,827,692	8.2%

% of Population

<u>Age</u>	Albuquerque <u>MSA</u>	New <u>Mexico</u>	United <u>States</u>
0 - 17	23.8%	24.5%	23.2%
18 - 24	9.4%	9.7%	9.9%
25 - 34	14.0%	13.3%	13.3%
35 - 44	12.5%	11.8%	12.7%
45 - 54	13.1%	12.6%	13.6%
55 & Older	27.3%	28.1%	27.4%

Source: Official Statement dated September 2, 2015

Schedule 22  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEMOGRAPHIC INFORMATION

**Total Population Estimates**

**New Mexico Metropolitan Statistical Areas: 2005 to 2014**

Area	July 1, 2014 <sup>p</sup> Estimate	July 1, 2013 <sup>r</sup> Estimate	July 1, 2012 <sup>r</sup> Estimate	July 1, 2011 <sup>r</sup> Estimate	July 1, 2010 <sup>r</sup> Estimate	July 1, 2009 <sup>r</sup> Estimate	July 1, 2008 <sup>r</sup> Estimate	July 1, 2007 <sup>r</sup> Estimate	July 1, 2006 <sup>r</sup> Estimate	July 1, 2005 <sup>r</sup> Estimate
New Mexico	2,085,572	2,086,895	2,083,540	2,077,919	2,064,982	2,007,315	1,984,179	1,966,357	1,940,631	1,914,699
Metro Portion <sup>1</sup>	1,370,524	1,390,212	1,389,212	1,383,068	1,374,584	1,334,083	1,314,525	1,297,575	1,274,074	1,249,238
Albuquerque MSA <sup>2</sup>	887,077	904,587	900,464	896,871	889,627	855,604	844,699	833,232	816,808	797,788
Farmington MSA <sup>3</sup>	130,044	123,785	128,340	128,016	130,161	124,550	122,640	122,359	121,707	122,024
Las Cruces MSA <sup>4</sup>	209,233	213,676	213,952	212,772	210,288	206,395	201,706	198,551	194,117	189,590
Santa Fe MSA <sup>5</sup>	144,170	148,164	146,456	145,409	144,508	147,534	145,480	143,433	141,442	139,836
Nonmetro Portion <sup>1</sup>	715,048	696,683	694,328	694,851	690,398	673,232	669,654	668,782	666,557	665,461

p Preliminary.

r Revised.

1 Metropolitan and nonmetropolitan portions are based on current metropolitan statistical area (MSA) definitions.

2 Bernalillo, Sandoval, Torrance and Valencia counties.

3 San Juan County.

4 Dona Ana County.

5 Santa Fe County.

Note: The entire annual series of metro area estimates will be revised to be consistent with the April 1, 2010 Census counts.

Source: U.S. Dept. Of Commerce, Bureau of the Census, Population Estimates Program, Population Division.

Schedule 23  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEMOGRAPHIC INFORMATION

EMPLOYMENT

<u>Year</u>	<u>Albuquerque MSA</u>		<u>State of New Mexico</u>		<u>United States</u>
	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Labor Force</u>	<u>Percent Unemployed</u>	<u>Percent Unemployed</u>
2015*	420,957	6.80%	932,959	6.40%	5.30%
2014	412,505	6.40%	922,097	6.00%	6.30%
2013	414,954	6.80%	936,300	6.40%	7.60%
2012	417,490	7.20%	929,362	6.50%	8.10%
2011	420,418	7.60%	929,230	6.60%	8.50%
2010	410,134	8.40%	957,591	8.10%	9.40%
2009	407,396	7.00%	947,309	5.20%	7.60%
2008	411,990	4.80%	959,884	4.50%	4.90%
2007	409,370	3.70%	947,622	3.80%	4.60%
2006	407,076	4.70%	944,475	5.00%	4.70%
2005	406,138	4.00%	947,696	4.40%	5.50%
2004	394,696	4.40%	902,523	5.30%	6.00%

\* As of June 2015

Source: Official Statement dated September 2, 2015

Schedule 24  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEMOGRAPHIC INFORMATION

EMPLOYMENT PROFILE

	2011	2012	2013	2014	2015*
<b>Albuquerque MSA</b>					
Total Employment	369.7	368.1	370.8	368.2	384.3
Total Private employment	286.6	285.0	287.2	285.0	303.8
Goods Producing	37.1	36.3	36.5	34.6	38.1
Services Providing	332.6	331.8	334.3	333.6	346.2
Mining, Logging & Construction	19.2	18.6	19.6	18.3	21.6
Manufacturing	17.9	17.7	16.9	16.3	16.5
Wholesale Trade	11.4	11.5	11.4	11.1	11.9
Retail Trade	40.5	40.3	40.0	40.5	40.8
Transportation, Warehousing & Utilities	9.4	9.4	9.4	9.7	9.5
Information	8.8	8.3	8.8	7.4	7.9
Financial Activities	16.7	17.4	17.5	18.0	17.9
Professional & Business Services	54.8	54.7	54.1	54.3	60.7
Educational & Health Services	59.4	56.5	57.7	58.8	61.4
Leisure & Hospitality	36.9	38.8	40.0	39.1	43.5
Other Services	11.6	11.8	11.8	11.5	12.1
Government	83.1	83.1	83.6	83.2	80.5

\* As of June 2015

Source: New Mexico Department of Workforce Solutions

Data prior to 2011 not available

Schedule 25  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEMOGRAPHIC INFORMATION

HOUSEHOLD INCOME

Estimated Median Household Income

<u>YEAR</u>	<u>Albuquerque MSA</u>	<u>New Mexico</u>	<u>United States</u>
2015	\$48,234	\$45,633	\$53,706
2014	\$44,391	\$44,292	\$51,579
2013	\$48,494	\$43,273	\$49,297
2012	\$45,942	\$41,958	\$49,581
2011	\$46,022	\$42,030	\$49,726
2010	\$47,775	\$43,932	\$52,795
2009	\$46,392	\$42,752	\$51,433

Percent of Household by Effective Buying Income Groups - July 2015

<u>Effective Buying Income Group</u>	<u>Albuquerque MSA</u>	<u>New Mexico</u>	<u>United States</u>
Under \$25,000	26.4%	28.4%	23.5%
\$25,000 - \$34,999	11.4%	11.6%	10.2%
\$35,000 - \$49,999	13.8%	14.1%	13.6%
\$50,000 - \$74,999	17.9%	17.1%	17.8%
\$75,000 & Over	30.5%	28.8%	34.8%

Source: Official Statement dated September 2, 2015

Schedule 26  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO 12  
DEMOGRAPHIC INFORMATION

**Total Personal Income<sup>1</sup> (\$000s), by Metropolitan and Nonmetropolitan Portions: 2004-2013\***

Area	2013 <sup>r</sup>	2012 <sup>r</sup>	2011 <sup>r</sup>	2010 <sup>r</sup>	2009 <sup>r</sup>	2008 <sup>r</sup>	2007	2006	2005	2004
Metropolitan Portion <sup>2</sup>	\$47,730,625	\$50,033,121	\$48,612,775	\$46,441,598	\$45,537,468	\$46,090,602	\$43,892,552	\$41,432,873	\$38,387,997	\$35,696,497
Albuquerque MSA <sup>3</sup>	30,288,513	32,706,834	31,880,572	30,402,792	29,931,708	30,199,098	28,819,987	27,377,152	25,338,334	23,662,762
Farmington MSA <sup>4</sup>	4,120,679	4,253,309	4,022,020	3,840,098	3,759,121	3,967,682	3,568,773	3,331,394	3,043,813	2,781,849
Las Cruces MSA <sup>5</sup>	6,756,435	6,618,103	6,400,012	6,231,504	5,891,595	5,665,167	5,297,009	4,857,042	4,544,076	4,177,217
Santa Fe MSA <sup>6</sup>	6,564,999	6,454,875	6,310,171	5,967,204	5,955,044	6,258,655	6,206,783	5,867,285	5,461,774	5,074,669
Nonmetro Portion <sup>2</sup>	27,324,553	24,382,881	23,687,482	22,047,527	20,640,960	21,063,740	19,143,125	17,841,494	16,953,829	15,882,194
New Mexico	\$75,055,179	\$74,416,002	\$72,300,257	\$68,489,125	\$66,178,428	\$67,154,342	\$63,035,677	\$59,274,367	\$55,341,826	\$51,578,691

**Total Personal Income per capita<sup>1</sup> (\$s), by Metropolitan and Nonmetropolitan Portions: 2004-2013 \***

Area	2013 <sup>r</sup>	2012 <sup>r</sup>	2011 <sup>r</sup>	2010 <sup>r</sup>	2009 <sup>r</sup>	2008 <sup>r</sup>	2007	2006	2005	2004
Metropolitan Portion <sup>2</sup>	\$ 34,333	\$ 35,990	\$ 34,993	\$ 33,579	\$ 33,128	\$ 33,630	\$ 32,901	\$ 31,519	\$ 29,584	\$ 28,018
Albuquerque MSA <sup>3</sup>	33,483	33,503	32,597	31,260	31,032	31,538	31,269	28,901	27,689	28,970
Farmington MSA <sup>4</sup>	33,289	32,880	31,924	29,462	29,064	31,259	28,424	26,741	24,503	22,857
Las Cruces MSA <sup>5</sup>	31,620	31,280	30,648	29,751	28,804	28,327	27,271	25,663	24,739	21,519
Santa Fe MSA <sup>6</sup>	44,309	44,356	42,851	41,185	41,620	44,024	43,846	42,348	39,887	35,878
Nonmetro Portion <sup>2</sup>	\$ 39,221	\$ 35,078	\$ 34,116	\$ 31,730	\$ 29,897	\$ 30,587	\$ 28,435	\$ 26,643	\$ 25,350	\$ 23,827
New Mexico	\$ 35,965	\$ 35,805	\$ 34,763	\$ 33,175	\$ 32,522	\$ 33,416	\$ 31,980	\$ 30,625	\$ 29,102	\$ 26,578

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1 Total personal income data are by place of residence.

2 Metropolitan and nonmetropolitan portions are based on current metropolitan statistical area (MSA) definitions.

3 Bernalillo, Sandoval, Tarrant and Valencia counties.

4 San Juan County.

5 Dona Ana County.

6 Santa Fe County.

Source: UNM Bureau of Business and Economic Research

\* Data for 2014 and 2015 not available

Schedule 27  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
DEMOGRAPHIC INFORMATION

**New Mexico Gross Receipts Tax**

Fiscal Year	<u>Bernalillo County</u>		<u>Sandoval County</u>		<u>State of New Mexico</u>	
	(000s) <u>Retail</u>	(000s) <u>Total</u>	(000s) <u>Retail</u>	(000s) <u>Total</u>	(000s) <u>Retail</u>	(000s) <u>Total</u>
2014	\$ 7,905,375	\$ 32,072,875	\$ 609,814	\$ 2,228,067	\$ 24,395,913	\$ 107,584,699
2013	7,966,070	32,177,604	658,771	2,380,081	24,239,671	108,060,634
2012	7,883,404	31,367,092	685,312	2,414,153	23,914,774	104,221,141
2011	7,736,773	30,616,678	818,368	3,096,652	23,789,930	102,715,750
2010	7,724,391	29,663,675	731,028	2,723,090	18,488,631	70,166,804
2009	7,879,244	30,861,715	672,504	2,844,192	23,812,635	104,562,006
2008	8,747,460	32,671,406	785,917	3,117,745	25,711,762	110,710,200
2007	8,095,799	33,139,257	693,973	3,015,406	26,012,240	103,740,330
2006	7,682,692	31,886,942	1,113,413	3,290,815	24,014,746	94,347,408
2005	6,769,594	29,411,880	844,832	2,248,768	20,415,829	79,173,289

Source: Official Statement dated September 2, 2015

## **OTHER SUPPLEMENTARY INFORMATION**





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**INDEPENDENT AUDITORS' 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**

State of New Mexico  
Albuquerque Municipal School District No. 12  
Board of Education and  
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, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue funds of the Albuquerque Municipal School District No. 12, New Mexico (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, and each discretely presented component unit presented as supplementary information and have issued our report thereon dated November 13, 2015.

**Internal Control Over Financial Reporting**

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

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 deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses (2012-005, 2013-032, 2015-002, 2015-006, 2015-010, 2015-018, and 2015-037).

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 deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies (2015-005, 2013-019, 2014-012, 2014-017, 2014-030, 2015-009, 2015-011, 2015-020, 2015-024 (FS 10-05), and 2015-028).

### **Compliance and Other Matters**

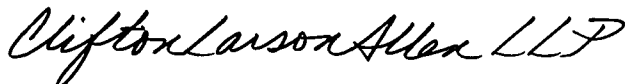
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2013-009, 2013-062, 2013-069, 2014-001, 2014-007, 2014-011, 2014-014, 2014-018, 2015-003, 2015-004, 2015-007, 2015-008, 2015-012, 2015-013, 2015-014, 2015-015, 2015-016, 2015-017, 2015-019, 2015-021, 2015-022, 2015-023, 2015-025, 2015-026, 2015-027, 2015-029, 2015-030, 2015-031, 2015-032, 2015-033, 2015-034, 2015-035, and 2015-036.

### **The District's Response to Findings**

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



**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 13, 2015



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

State of New Mexico  
Albuquerque Municipal School District No. 12  
Board of Education and  
Tim Keller, New Mexico State Auditor

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

We have audited the Albuquerque Municipal School District No. 12, New Mexico's (District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

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

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

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

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

### ***Other Matters***

The results of our auditing procedures disclosed 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 2015-005 and 2015-001. Our opinion on each major federal program is not modified with respect to these matters.

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

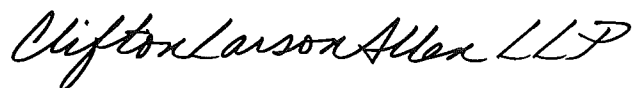
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-005 and 2015-001, which we consider to be significant deficiencies.

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

State of New Mexico  
Albuquerque Municipal School District No. 12  
Board of Education and  
Tim Keller, New Mexico State Auditor

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Albuquerque, New Mexico  
November 13, 2015

State Of New Mexico  
Albuquerque Municipal School District No. 12  
**Schedule of Expenditures of Federal Awards**  
**For The Year Ended June 30, 2015**

Amounts are reported in dollars.

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number		Federal CFDA Number	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
<i>Passthrough State of New Mexico Children Youth &amp; Families Department</i>				
USHHS/CDC School Health	24186		93.079	11,455
Title XX Health & Social Services	25129		93.667	\$ 448,618
Substance Abuse of Health & Human Services	25238		93.243	30,218
<b>Total U.S. Department of Health and Human Services</b>				\$ 490,291
<b>U.S. Department of Education</b>				
<i>Passthrough State of New Mexico Department of Education</i>				
Title I	24101	*	84.010	26,819,140
Title I Charter School Total	24101	*	84.010	481,212
Total - Title I				27,300,352
Title I School Improvement	24162	*	84.010A	167,944
Title I School Improvement Charter School Total	24162	*	84.010A	9,762
Total- Title I School Improvement				177,706
Entitlement IDEA B	24106	*	84.027	19,380,882
Entitlement IDEA B Charter School Total	24106	*	84.027	1,080,806
IDEA B Private School	24115	*	84.027	178,739
Reallocation IDEA-B	24120	*	84.0270	19,981
Reallocation IDEA-B Charter School Total	24120	*	84.0270	92,734
Preschool IDEA-B (Special Education Cluster)	24109	*	84.173	355,837
Total- Entitlement IDEA B (Special Education Cluster)				21,108,979
School Improvement Title I 1003g Grant	24124		84.377	1,728,189
English Language Acquisition	24153		84.365	797,740
English Language Acquisition Charter School Total	24153		84.365A	24,471
Total ELL Title III Incentive Awards				822,211
Teacher / Principal Training / Recruiting	24154	*	84.367	2,786,486
Teacher / Principal Training / Recruiting Charter School Total	24154	*	84.367	195,689
Total - Teacher/Principal Training / Recruiting				2,982,175
Education of Homeless	24113		84.196	67,894
21st Century Community Living Centers	24119		84.287	228,275
Carl Perkins Special Projects - Current	24171		84.048	43,487
Carl Perkins Special Projects - Current Charter School Total	24171		84.048	12,632
Carl Perkins Secondary - Current	24174		84.048	853,296
Carl Perkins Secondary - Current Charter School Total	24174		84.048	72,076
Carl Perkins Secondary - PY Unliquid	24175		84.048	3,684
Carl D. Perkins-Secondary Redistribution	24176		84.048	160,757
Carl D. Perkins-HSTW Current	24180		84.048	14,764
Carl D. Perkins-HSTW PY Unliq Obligations Charter School Total	24181		84.048	5,092
Carl D. Perkins-HSTW Current	24182		84.048	6,776
Total - Carl Perkins				1,172,564
Jobs for New Mexico - JAG Unliq	24172		84.048	51
Jobs for New Mexico - JAG Redistribution	24173		84.048	814
Total - Jobs for New Mexico - JAG				865

State Of New Mexico  
Albuquerque Municipal School District No. 12  
**Schedule of Expenditures of Federal Awards**  
**For The Year Ended June 30, 2015**

Amounts are reported in dollars.

<b>Federal Grantor or Pass-Through Grantor / Program Title</b>	<b>Passthrough Number</b>	<b>Federal CFDA Number</b>	<b>Federal Expenditures</b>	
Title VII Impact Aid Special Education	25145	84.041	35,231	
Title VII Impact Aid Indian Education	25147	84.041	8,089	
Total - Title VII			<u>43,320</u>	
School Leadership Program	25173	84.363	650,190	
Indian Education Formula Grant	25184	84.060	1,031,267	
Indian Education Formula Grant Charter School Total	25184	84.060	32,000	
Elementary School Counseling	25215	84.215	432,142	
Smaller Learning Communities	25217	84.215	221	
National Resources Conservation Service (NRCS)	25263	10.902	8,791	
Start Smart K-3 Utah State University Study	28191	84.396	514,325	
<b>Total U.S. Department of Education</b>				<b>58,301,466</b>
<b>U.S. Department of the Interior</b>				
<i>Direct to Albuquerque Public Schools</i>				
Johnson O'Malley	25131	15.130	\$ 173,839	
<b>Total U.S. Department of the Interior</b>				<b>173,839</b>
<b>U.S. Department of Defense</b>				
<i>Direct to Albuquerque Public Schools</i>				
Collaborative Research & Development	25112	12.114	\$ 11,753	
ROTC	25200	12.357	32,464	
Community Economic Adjustment	31500	12.600	<u>1,320,226</u>	
<b>Total U.S. Department of Defense</b>				<b>1,364,443</b>
<b>U.S. Department of Agriculture</b>				
<i>Passthrough State of New Mexico Department of Education</i>				
Child Nutrition Cluster				
School Breakfast Program	21000	*	10.553	8,202,853
National School Lunch Program	21000	*	10.555	21,167,931
National School Lunch Program Charter School Total <sup>1</sup>	21000	*	10.555	1,278,332
U.S.D.A Commodities	21000	*	10.555	<u>2,081,650</u>
Total - Child Nutrition Cluster				<u>32,730,766</u>
<sup>1</sup> These funds are passed through PED direct to the Charter Schools				
Forest Reserve	11000	10.672	31,650	
<b>Total U.S. Department of Agriculture</b>				<b><u>32,762,416</u></b>
<b>Total Federal Financial Assistance</b>				<b><u>\$ 93,092,455</u></b>
(*) Denotes Major Federal Financial Assistance Program				

State Of New Mexico  
Albuquerque Municipal School District No. 12  
**Schedule of Expenditures of Federal Awards**  
**For The Year Ended June 30, 2015**

**Notes to Schedule of Expenditures of Federal Awards**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of the Albuquerque Public School District (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the fund financial statements. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

**2. Subrecipients - N/A**  
**N/A**

**3. Non-Cash Federal Assistance**

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2014 was \$1,719,109 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA number 10.555. Commodities are recorded as miscellaneous revenues and expenditures in the food service fund.

**4. Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:**

**Primary Government**

Total federal awards expended	
per Schedule of Expenditures of Federal Awards	\$ 93,092,455
Nutrition Cluster - USDA Food Service Revenue	(32,730,766)
Total expenditures funded by other sources	<u>983,796,232</u>
Total expenditures, governmental funds	<u>\$ 1,044,157,921</u>



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**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☒ yes ☐ no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☒ 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 deficiencies identified that are not considered to be material weakness(es)? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major program: Unmodified

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:

**CFDA Number(s)**

**Name of Federal Program or Cluster**

84.010	Title I, Part A
84.027 / 84.173	Special Education Cluster
84.367	Improving Teacher Quality State Grants
10.553 / 10.555	Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs \$2,792,774

Auditee qualified as low-risk auditee? ☐ yes ☒ no

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**ALBUQUERQUE PUBLIC SCHOOLS**

**2015-005 (original finding #2012-001) Payroll Allowable Activities/Costs – (Significant Deficiency, Instance of Noncompliance)**

**Federal Program:** IDEA-B (CFDA #84.027)

**Federal Agency:** Department of Education

**Federal Award Year:** 2014

**Pass through Agency:** New Mexico Public Education Department

**Pass through Award Number:** IDEA - B (H027A140078)

**Questioned Costs:** \$11,901

**Condition:** Testwork performed relating to allowable activities/costs associated with the IDEA B grant revealed one employee, out of 40 payroll disbursements tested, who was overpaid by \$11,901 from the grant. The employee resigned at the beginning of the school year; however, the human resources department was not notified until eight months subsequent to the resignation. The employee was paid out of the grant during the eight month period. The payroll department located the overpayment during a review of its year-end report but failed to notify the grant department. Because the grant department was not notified, an entry to remove the expense from the grant was not made until the necessity of doing so was communicated by the external auditors.

*Management's Progress for Repeat Findings: The District will be implementing a new Contract Management (CM) module as part of the Lawson System on July 1, 2016. It is expected that the new CM Module will eliminate some manual processes, and provide a more stable payroll environment. The CFO is responsible for this implementation.*

**Criteria:** Per OMB A-133 and federal agreements, the programs are reimbursed for actual costs incurred. In addition, A-102 Common Rule requires that non-Federal entities receiving Federal Awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

**Cause:** Management oversight and lack of communication between departments. In addition, lack of controls surrounding the termination process.

**Effect:** The program is not in compliance with grant requirements and the District may have incorrectly charged costs to the programs.

**Auditor's Recommendation:** We recommend that the District establish effective internal controls surrounding the reporting of employee's termination. In addition, we recommend that the District develop an internal process to make the grants department aware of payroll charges that may be unallowable per grant requirements.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2015-005 (original finding #2012-001) Payroll Allowable Activities/Costs – (Significant Deficiency, Instance of Noncompliance) (Continued)**

**Management's Response:** The District is evaluating several time absence management software including Kronos and Work Force Solutions so that every person in the district would have to log in from their work site and a report could be generated and reviewed to confirm if an employee was no longer reporting to work. It would also allow the district to manage and automate time sheets. The Assistant Superintendent for Human Resources is responsible for this.

The District is in the process of improving and documenting processes for identifying and communicating instances of payroll overpayments including payroll charges that may be unallowable per grant requirements. Target date for completion is third quarter FY 2016; responsible positions: Operational Fund Controller and Payroll Manager.

**2012-005 Internal Controls Surrounding Capital Asset Management – (Material Weakness)**

**Condition:** Capital assets test work revealed the following:

- Disposals:
  - In October 2014, the District transferred title of 19 buses to an external bus company as part of the negotiation of a contract to secure transportation services for APS students in the East Mountains. The District did not notify the Office of the State Auditor, or obtain Board approval, until June 2015. The buses had a book value of \$433,868; no consideration was paid by the external company upon transfer of the buses. The District, however, remains a lienholder.
  - Of 6 demolished items that were selected for testing, we were unable to determine the timeframe of the actual demolition for one item and, as a result, were unable to determine whether the Office of the State Auditor and the Board were appropriately notified.
- The construction in process (CIP) account includes approximately \$2.8 million of CIP, out of a total of \$138 million, which had no activity during fiscal years 2015, 2014, and 2013. The District concedes that approximately \$2.7 million of the \$2.8 million with no activity should have been capitalized in fiscal year 2013.
- The District completed the fiscal year inventory; however, the inventory was not fully reconciled to the fixed asset listing as of year end.

*Management's Progress for Repeat Findings: There have been several changes to personnel within Capital Fiscal Services department in the last year to strengthen the school business knowledge of procedures along with changes to processes for monitoring the notification of demolition projects, monthly reviews to determine if there are updates needed for the CIP and a new software system is being installed to ensure the proper accounting for assets.*

**Criteria:** NMAC 6.20.2.22 requires that assets of a long-term character which are intended to continue to be held or used, such as land (including acquisition and improvements to grounds), buildings (including initial acquisition, improvements, remodeling, additions, and replacement), furniture, machinery and equipment, shall be acquired and accounted for through the development and implementation of a complete property control

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2012-005 Internal Controls Surrounding Capital Asset Management – (Material Weakness) (Continued)**

system which shall be adopted by the local board and in accordance with GAAP. In addition, 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 financial statements in accordance with GAAP. Per Article 9, Section 14 of the Constitution of New Mexico, neither the state nor any county, school district, or municipality, except as otherwise provided in this constitution, 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.

**Cause:** The District lacks effective internal controls surrounding the process of reclassifying projects from CIP to the appropriate capital asset account. In addition, the District lacks an effective process to ensure proper approval and notification prior to disposing of assets.

**Effect:** Potential misstatements of the financial statements and noncompliance with applicable statutes and laws.

**Auditor's Recommendation:** We recommend the District review the projects within the outstanding CIP balance and determine the classification as CIP is still appropriate. We recommend the District establish a formal process to move projects from CIP upon completion or when no other costs are expected to be accumulated into the project. The District should include a process in which all projects within CIP are reviewed on a monthly basis. We would recommend that the review of open and closed activity for CIP projects be performed on a monthly basis to ensure timely reporting of assets and depreciation. In addition, we recommend that management implement a process to ensure that the Board be notified of the disposition of assets in a more timely manner to ensure compliance with all laws and regulations. Furthermore, we recommend that the district establish stronger documentation retention policies related to demolitions.

**Management's Response:**

School Bus Transfer: In August 2015, the District was forced to get into the bus business on very short notice when the contractor/operator in the east mountain area did not renew their contract for FY15. The district offered the routes to other contractors in our existing base of school bus contractors, however, none of the contractors was interested in absorbing the additional routes. The district purchased and executed the physical transfer of the buses from the East Mountain bus company one day before the first day of school. APS wrote a check for \$65,000 (approximately) to the East Mountain Bus company for the purchase of the buses. The buses had a market value of approximately \$500,000 based on the appraisals conducted at the time of purchase. The \$65,000 amount represented the difference between the appraised value of the buses and the unamortized value of the buses. FYI, the buses are amortized over a 12 year period. If a contractor exits the business before the 12 years, the unamortized value is still "owed" to the district. If the appraised value exceeds the unamortized value, the District owes the contractor the difference. If the unamortized value exceeds the appraise value, the contractor owes money to the District and must return the buses to the district.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2012-005 Internal Controls Surrounding Capital Asset Management – (Material Weakness) (Continued)**

The district did not intend to operate buses in the East Mountains on a long term basis; the intent was to find an external company to provide the service. To that end, the District worked with our internal procurement department to issue an RFP for bus service in the East Mountains. The RFP was conducted per direction from the NM PED Director of Student Transportation. The RFP did not include payment of \$433,868 for the transfer of buses. Only one company, Follow the Sun, responded to the RFP. Follow the Sun was awarded the contract for the east mountains, including the transfer of buses at no cost, in November, 2014. APS was issued a check for approximately \$47K by the PED when the transfer took place. APS was in and out of the bus business for a net asset cost of approximately \$18,000. The \$18,000 cost would have been a \$0 cost, except that there was a disagreement between PED and APS on the appraisal method that was used. If not for the disagreement over the appraisal methodology that was used, APS would have been in and out of the business at \$0 cost for the equipment.

APS holds a lien on the 19 buses. The buses can only be used for the transportation of APS students. The buses cannot be sold by the contractor unless they pay APS the unamortized value of the buses (which was \$433,868 at the time of the initial transfer). APS was within its rights to transfer their equipment to a contractor who would provide transportations services (provide drivers and maintenance on the buses) to the district.

The District acknowledges that it did not notify the Office of the State Auditor nor the board about the deletions. However, the District did notify the board about entering and exiting the District-Owned bus business on August 19, 2014 and October 28, 2014, respectively. The deletions forms were not included in those notifications.

The District failed to submit the deletions to the state auditor because new staff in the Transportation Department were not aware of this requirement for this transaction - it was a unique, non-routine transfer of assets. In the future the District will certainly comply with this requirement if it executes this type of a transaction again.

Demolition of facilities: It is the district's intention and goal to follow the guidelines as required in state statutes. The Del Norte High School was a series of demolition and construction projects over several years which had several notices to the school board and to the state auditor. Based on the progress payment, demolition did not begin prior to the Board action. We have discussed the process with the Facilities Design & Construction Department to ensure we are given adequate time to complete the notification process prior to their beginning of the demolition phase. We will request that FD&C notify the Construction Company in writing of the start date of the demolition based on the date of the Auditors Letter and confirmation by the company of their start date. The Senior Director of Capital Fiscal Services and the Executive Director will be responsible administrators for this issue.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2012-005 Internal Controls Surrounding Capital Asset Management – (Material Weakness) (Continued)**

CIP – Technology:

Capital Fiscal Services will review all CIP activities on a monthly basis and will discuss with the appropriate Departments the status of their accounts/projects and determine the appropriate time to capitalize these activities. The departments will include Capital Fiscal Services, Facilities Design and Construction, Maintenance and Operations, and Technology. The Senior Director of Capital Fiscal Services is the responsible administrator.

Annual Inventory:

The School District started in June 2014 a two-year project to complete the conversion and integration to a new software system, including a reconciliation of all assets. As required by state regulation, a complete inventory of assets was performed by an independent company during fiscal year 2015. The conversion and integration has been completed and the department is on schedule to complete the reconciliation by June 2016 as planned. The Capital Controller is the responsible administrator.

**2014-001 Over-Expended Budget (Compliance and Other Matters)**

**Condition:** During the audit, we noted the following funds/functions where the actual expenditures exceeded the legal level of budgetary control:

- Capital Improvements HB-33 Capital Projects Fund (31600) Support Services - \$2,808
- Capital Improvements SB-9 Capital Projects Fund (31700) Support Services - \$2,217

*Management's Progress for Repeat Findings:* The District will continue to monitor the expenditures in comparison to the budgeted funds and will provide additional funding to the functions where there is a potential problem due to expenditures initiated by outside agencies.

**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.

**Cause:** Management oversight.

**Effect:** Non-compliance with state statutes.

**Auditor's Recommendation:** We recommend that management establish controls necessary to monitor the budget and submit any necessary adjustments on a timely basis in order to avoid overages.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2014-001 Over-Expended Budget (Compliance and Other Matters) (Continued)**

**Management's Response:** The Public Education Department with the assistance of financial consultants, project the revenue for these two funds and Bernalillo County processes the receipt of revenue and charges the school district a fee for doing this (1%). The District has no control over the funds received along with the automatic charge to us. In this event, there was significantly more revenue received than projected and as a result the fees were higher and exceeded the budgeted amount. For fiscal year 2016, the District will increase the budgeted amount for these expenditures beyond the 1% and will monitor the account throughout the year to determine if a budget adjustment is needed. The Senior Director of Capital Fiscal Services in the responsible party.

**2015-002 – Financial Close Over Accounts Receivable – (Material Weakness)**

**Condition:** During testwork over Accounts Receivable balances we noted following:

- The District had over accrued an accounts receivable balance of approximately \$36,646 for Fund 27166. The balance related to expenses in past years that were never reimbursed to the District. The funding agreement does not allow for the District to be reimbursed after a year is closed.
- The District did not accrue accounts receivable and the related revenue amount of approximately \$436,303 in fund 21000, Food Operations. The amount of \$169,486 was overlooked during the District's accrual of receivables process. It was also determined that USDA claims for the National School Lunch Program (CFDA 10.555) for June, totaling \$266,817, were not recognized as revenue or accounts receivable as of June 30, 2015. The billing of the accounts receivable was never communicated to the financial department.
- The District did not accrue revenue and the related accounts receivable balance related to a reinsurance claim amount for approximately \$363,065.

**Criteria:** Per NMAC 6.20.2.11, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, and 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.

**Cause:** Management over sight.

**Effect:** Over sight of accruing the proper revenue and accounts receivable amounts could cause the financial statements to be misstated.

**Auditor's Recommendation:** We recommend management establish policies and procedures during the financial close and reporting process to include an evaluation of all transactions that could be subject to accrual or recognition in a different period.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2015-002 – Financial Close Over Accounts Receivable – (Material Weakness) (Continued)**

**Management's Response:** Accounts receivable close process will be strengthened and procedures documented to help ensure that all appropriate accounts receivable are recorded. The closing process will include review of Q4 Food Service billings for possible accrual. Procedures will be documented during Q2 FY 2016; responsible position: Operational Fund Controller.

**2015-003 Background Check - (Compliance and Other Matters)**

**Condition:** During the course of our fiscal year 2015 audit, we became aware of an employee that was hired by the District and did not complete a background check prior to starting employment.

**Criteria:** Per the District policy and procedures, background checks are performed on all prospective district employees (applicants who are offered employment), district contractors, district contractor's employees, and volunteers who might have unsupervised access to students.

**Cause:** Management override of controls.

**Effect:** Non-compliance with District's policies and procedures.

**Auditor's Recommendation:** We recommend that management establish controls to identify management override of controls and report them to the board or necessary oversight individual responsible.

**Management's Response:** Corrective action of the finding is the responsibility of the assistant superintendent of human resources and the following recommendations have been made to the Public Education Department:

- Initiate a PED or State requirement that all employees hired prior to 1999 be fingerprinted and cleared because everyone hired prior to 1999 does not have a background clearance.
- Initiate a PED or State requirement that all public school employees be random "background checked" or periodic background testing for all employees.
- Changes to Statute -22-10A-5. Under section B, revise language to state that an applicant for initial licensure can submit FBI reports to the Public Education Department to obtain licensure. Currently, the fingerprint submission has to go to PED (not the FBI) for initial licensure which slows down the process. Under section D, remove language that states if the PED has done a background check within 2 years, public schools can use it even though it is 2 years old. Under Section E, add language "all public school employees" shall report to the department "and the school district" any known conviction of a felony..."
- Additionally, a request by the Assistant Superintendent of Human Resources has been made to the Board of Education regarding a process for reporting a complaint against the Superintendent that does not involve members of the Board of Education or APS personnel so as to avoid any form of retaliation.



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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2015-004 Purchase Approval - (Compliance and Other Matters)**

**Condition:** During the audit, we noted a single disbursement of \$1,059,908, which consisted of 17 different invoices from the same vendor with one purchase order number. The invoice amounts were: \$235,350, \$232,566, \$239,681, \$191,308, and the remaining 13 invoices totaled \$161,003. Because each individual invoice was below \$250,000, there was no board approval on the purchase(s).

**Criteria:** Per purchase and project approval policy and procedures; all district purchases and expenditures which equal or exceed two hundred fifty thousand dollars, or that are projected to equal or exceed two hundred and fifty thousand dollars by the end of their completion shall be taken to the board of education for approval.

**Cause:** Override of controls.

**Effect:** Non-compliance with District's policies and procedures.

**Auditor's Recommendation:** We recommend that management establish controls to identify disbursements that are or will potentially exceed the \$250,000 limit.

**Management's Response:** This order was part of the overall, board approved bond election results which allows APS to refresh technology for all schools sites, specifically for classroom enhancement and sustainability. The bond authorization was voter approved and board approved. We worked under the understanding that this is a long term project which, in our policy, allows for continuation towards completion without consistent board approval. However, this current academic year, we did present this purchase to the board for approval. The Chief Technology Officer and the Executive Director of Procurement are responsible for monitoring this issue in the future.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**21<sup>ST</sup> CENTURY PUBLIC ACADEMY**

**2013-062 - Timely Deposit of Cash Receipts (Compliance and Other Matters)**

**Condition:** During our review of cash receipts, we noted 1 of 13 receipts, in the amount of \$207.91, which were not deposited within 24 hours of receipt as required.

*Management's Progress for a Repeat Finding: Management failed to correct the issue from prior due to transition in the business manager position and plans to establish a control to correct this next year.*

**Criteria:** NMAC 6.20.2.14 states that money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

**Cause:** Procedures established by management to ensure proper documentation and timely deposit have not been established to ensure 100% compliance.

**Effect:** Non-compliance with NMAC 6.20.2.14.

**Auditor's Recommendation:** We recommend that management continue to monitor the established procedures to ensure all staff involved with cash receipts and deposits are familiar with the established procedures to ensure timely deposit of all receipts as required.

**Management's Response:** The chief operations officer will review the school's cash receipting and depositing process with all staff members to ensure compliance with state regulations and statutes. Currently, the chief operations officer is reviewing the state regulations and statutes, as well as the school's procedures for deposits of public funds, at the weekly staff meetings during October 2015, to ensure compliance with NMAC 6.20.2.14. The review process will be conducted once a month during the school year to maintain compliance and is the responsibility of the chief operations officer.

**2015-024 (FS 10-05) - Internal Control Structure (Significant Deficiency)**

**Condition:**

- During our test work over accounts payable and related disbursements, we noted invoices paid subsequent to year-end in the amount of approximately \$3,351 for services provided as of June 30, 2015; this amount was not identified in the accounts payable at June 30, 2015 by management.
- The fund balance roll forward required an adjustment of \$7,730 due to a journal entry that was posted twice during the fiscal year.
- During the audit, we identified an approximate \$133 adjustment that was required for a reimbursement based fund that exceeded the actual award amount.
- During our testwork over capital assets, we noted that management excluded the current year deletions on assets that were fully depreciated, which had a cost of approximately \$59k.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**21<sup>ST</sup> CENTURY PUBLIC ACADEMY (CONTINUED)**

**2015-024 (FS 10-05) - Internal Control Structure (Significant Deficiency) (Continued)**

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP

**Cause:** Management oversight, lack of effective internal controls over the financial close and reporting process.

**Effect:** Potential misstatements of financial statements.

**Auditor's Recommendation:** We recommend that management establish effective internal controls surrounding the financial close and reporting process to ensure all account balances are properly presented.

**Management's Response:** The school experienced an unexpected situation of having to contract a new business manager towards the end of the fiscal year. During the transition, some information was not completely transmitted from the previous to the current business manager. This situation has prompted the current business manager, along with the recently hired chief operations officer, to evaluate the current processes and procedures. In an effort to ensure accurate reporting for all fiscal matters, a review of the internal controls will be conducted as well. This review will begin with the list of conditions noted in this audit. Once a review is complete, the school should have updated internal controls by March of 2016.

Processes and procedures over accrual and fund balances will be reviewed. New procedures will be implemented by both the chief operations officer and the business manager to ensure roll forward of the fund balances and proper accruals are determined. Both the chief operations officer and the business manager are currently working to ensure that effective internal controls are in place for financial closing of fiscal year 2016.

The chief operations officer and business manager have at present implemented a regular review process of all funds and their expenditures to ensure actuals do not exceed the awarded amount of the fund.

The chief operations officer and the business manager are currently reviewing the school's capital assets. Once this review of the assets is complete, both the chief operations officer and the business manager will develop and implement a procedure that will ensure the correct status of the school's assets. This review and implementation should be completed by February 2016 and is the responsibility of the chief operations officer.

**2015-025 Personnel Files (Compliance and Other Matters)**

**Condition:** During our audit, we noted 1 of 4 personnel files reviewed which lacked evidence of a background check to screen the employee.

**Criteria:** Per NMSA 22-10A-5, the school shall develop policies and procedures to require background checks on an applicant who has been offered employment.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**21<sup>ST</sup> CENTURY PUBLIC ACADEMY (CONTINUED)**

**2015-025 Personnel Files (Compliance and Other Matters)**

**Cause:** Management oversight.

**Effect:** Non compliance with the applicable statutes.

**Auditor's Recommendation:** We recommend that management establish procedures to ensure the required documentation is contained in all personnel files.

**Management's Response:** School policy requires compliance with State law on background checks. A review of policies and procedures for securing and maintaining the background check documentation will be completed to ensure compliance. The chief operations officer has completed a thorough review of all personnel files to verify that each employee of the school has a background check that is current. This review was conducted and completed in in September 2015 and is the responsibility of the chief operations officer.

**2015- 026 – Purchasing (Compliance and Other Matters)**

**Condition:** During our review of cash disbursements, we noted the following:

- 4 out of 24, totaling approximately \$914, in which purchases exceeded purchase order.
- 2 out 24, totaling approximately \$1,445, in which an approved purchase order was not established prior to the purchase.

**Criteria:** Per PSAB Supplement 13-Purchasing, the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.

**Cause:** Management oversight.

**Effect:** Possible unauthorized purchases or purchases without adequate budget authority.

**Auditor's Recommendation:** We recommend that management establish appropriate controls and procedures to ensure all purchases have an approved purchase order/purchase requisition prior to the purchase.

**Management's Response:** The recently hired chief operations officer is a Certified Procurement Officer, as is the new contract business manager. Both will review the procurement procedures to ensure compliance with applicable procurement requirements. The chief operations officer will review with all staff members the correct process for purchasing and will conduct monthly trainings at the staff meetings for compliance. The trainings will be ongoing through the school year and is the responsibility of the chief operations officer.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE TALENT DEVELOPMENT ACADEMY**

**2015-030 - Timely Deposit of Cash Receipts (Compliance and Other Matters)**

**Condition:** During the review of cash receipts, we noted 1 out 10 cash receipts packets in the amount of \$6,445 that was not deposited within 24 hours of receipt.

**Criteria:** NMAC 6.20.2.14 states that money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

**Cause:** Management oversight.

**Effect:** Non-compliance with NMAC 6.20.2.14.

**Auditor's Recommendation:** We recommend that management ensure all staff involved with cash receipts and deposits are familiar with the established procedures to ensure timely deposit of all receipts as required.

**Management's Response:**

CAP: Direct the Receptionist to deposit checks received in the mail the day they are received and leave the check stub in the Business Office. Checks should not be placed in the Business Office, only the check stub.

Timeline: Immediately

Responsible Party: Whitney Galindo, Business Manager

**2015-031 – Internal Controls over Paid Time Off Leave Balances (Compliance and Other Matters)**

**Condition:** During our audit, it was noted that an employee is able to use PTO leave balances in excess of their accumulated leave balance.

**Criteria:** Per NMAC 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. In addition, the anti-donation clause of the New Mexico Constitution, Article IX, Section 14, provides that "neither the state nor any county, school district or municipality, except as otherwise provided in the constitution, 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...".

**Cause:** Lack of effective controls and procedures surrounding the accumulation and use of PTO Leave Balances.

**Effect:** Non compliance with the applicable statutes. Possible compensation to employees in excess of earned benefits.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE TALENT DEVELOPMENT ACADEMY (CONTINUED)**

**2015-031 – Internal Controls over Paid Time Off Leave Balances (Compliance and Other Matters) (Continued)**

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established to ensure leave balances are properly accumulated and that an employee can only use PTO leave balances up to what they have accumulated.

**Management's Response:**

CAP: Propose to GC adjustment to leave policy to group Sick and Personal into one leave category, rather than separating them. Work with CLA to implement any additional policy and procedure adjustments to comply with both NMAC 6.20.2.18 as well as the Fair Labor Standards Act. Monitor leave balances and share with employee supervisors regularly to discuss options for making up time when leave needed will exceed leave accrued.

Timeline: Policy - November GC Meeting; Balance Monitoring - Ongoing

Responsible Party: Whitney Galindo, Business Manager; Rommie Compher, Principal; Gloria Garza, Asst. Principal

**2015-032 - Security for Deposits of Public Money (Compliance and Other Matters)**

**Condition:** During our audit, we noted the school had approximately \$96,000 in deposits in excess of FDIC which were not secured as of June 30, 2015.

**Criteria:** Per 6-10-16 NMSA 1978, deposits of public money shall be secured by: (1) securities of the United States, its agencies or instrumentalities; (2) securities of the state of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions; (3) securities, including student loans, that are guaranteed by the United States or the state of New Mexico; (4) revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated "BAA" or above by a nationally recognized bond rating service; or (5) letters of credit issued by a federal home loan bank. Per 6-10-17 NMSA 1978, the securities delivered shall have an aggregate value equal to one-half the amount of public money to be received.

**Cause:** Management oversight.

**Effect:** Non compliance with the applicable statutes.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established to ensure compliance with 6-10-16 NMSA 1978.

**Management's Response:**

CAP: Obtain pledged collateral.

Timeline: Complete as of 8/12/15.

Responsible Party: Whitney Galindo, Business Manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALICE KING COMMUNITY SCHOOL**

**2013-009 – Budgetary Conditions (Compliance and Other Matters)**

**Condition:** The School has an expenditure function where actual expenditures exceeded budgetary authority:

Fund 24154 – Teacher/Principal Training - \$1,239

*Management's Progress for a Repeat Finding: Management failed to correct the issue from prior and plans to review all expenditures by May 15 each year to ensure compliance.*

**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.

**Cause:** Management oversight.

**Effect:** Non-compliance with state statutes.

**Auditor's Recommendation:** The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

**Management's Response:** All expenditures will be encumbered by May 15 of each year in order to avoid missing the deadline for Transfer BARs during the 1st week of June. The finance committee will assist the Business Manager in ensuring that all transfer BARs are submitted by the June deadline if required. Corrective action will be implemented immediately and is the responsibility of the business manager.

**2015-012 - Chief Procurement Officer (Compliance and Other Matters)**

**Condition:** The school has not yet provided the name of the school's chief procurement officer to the state purchasing agent.

**Criteria:** Local public bodies shall provide the state purchasing division with their chief procurement officer on or before January 1 or each year beginning in 2014, as required by NMSA Section 13-1-95.2.

**Cause:** Management oversight.

**Effect:** Non-compliance with state statutes.

**Auditor's Recommendation:** The School should establish internal controls to ensure compliance with all new laws and regulations.

**Management's Response:** The assistant principal will register as the Certified Procurement Officer for the 2016 fiscal year and will complete the required training by December 31, 2015. Corrective action will be implemented immediately and is the responsibility of the business manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**CHRISTINE DUNCAN HERITAGE ACADEMY**

**2015-017 – Purchasing (Compliance and Other Matters)**

**Condition:** During our review of 33 disbursements, we noted one employee was reimbursed for travel expenses which included an alcoholic beverage in the amount of \$9.49.

**Criteria:** The school's internal policy does not allow reimbursement for alcohol.

**Cause:** Management oversight.

**Effect:** Non-compliance with school policy

**Auditor's Recommendation:** We recommend that management establish appropriate controls and procedures to ensure all purchases are made in accordance with school policy and other applicable regulations.

**Management's Response:** We have set school internal policies and procedures for the prohibition of reimbursement for alcohol purchases, but will revise our internal policy to include "at least two people will review receipts for travel reimbursements and will sign off on it prior to the employee being reimbursed." The employee will return the amount owed to the school for the reimbursed alcohol purchase. Corrective action will be implemented immediately and is the responsibility of the business manager.

**2015-018 – Revenue Recognition (Material Weakness)**

**Condition:** During our audit, we noted that the school upgraded their information technology infrastructure, in which the school did not recognize revenue and related capital outlay expenditures totaling approximately \$131k. In addition, the school did not identify approximately \$57k in capital assets associated with the E-rate expenditures.

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Management oversight, given the unusual nature of the transaction and the flow of resources was not through the school.

**Effect:** Potential misstatements of financial statements.

**Auditor's Recommendation:** We recommend that management establish controls surrounding these unusual and infrequent transactions to ensure accurate recording.

**Management's Response:** The school was unaware of such procedure. We will revise internal controls to establish controls surrounding these unusual and infrequent transactions to ensure accurate recording. Corrective action will be implemented immediately and is the responsibility of the business manager.



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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**CORRALES INTERNATIONAL CHARTER SCHOOL**

**2014-030 – Purchasing (Significant Deficiency)**

**Condition:** During our test work over accounts payable and related disbursements, we noted the following:

- We noted 1 of 29 disbursements tested, totaling \$158, which lacked an approved purchase order or purchase requisition prior to the purchase of goods or services.
- We noted 1 of 29 disbursements tested, totaling \$3,599, in which the school was unable to reconcile and provide supporting documentation for approximately \$2,011 of the entire disbursement.
- We noted 1 of 29 disbursements tested which included payment for gross receipt sales tax in the amount of \$15.17 related to the purchase of goods that would be exempt from gross receipt sales tax.

*Management's Progress for a Repeat Finding: Management failed to correct the issue from prior due to transition in the business manager position and plans to establish a control to correct this next year.*

**Criteria:** Per PSAB Supplement 13-Purchasing, the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction. 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** During the fiscal year, management utilized 3 different business managers, which resulted in periods of time during the year in which adequate controls were not being followed.

**Effect:** Possible unauthorized purchases or purchases without adequate budget authority.

**Auditor's Recommendation:** We recommend that management establish appropriate controls and procedures to ensure all purchases have an approved purchase order/purchase requisition prior to the purchase and that adequate supporting documentation is maintained.

**Management's Response:** Corrales International School's business office has put in place an electronic purchase request system to allow for more timely access to purchase order approvals. All supporting documentation for disbursements is required by the business office before a disbursement is made. The business office is aware that sales tax is not to be paid in relation to goods that would be exempt from gross receipts tax. All the aforementioned procedures have been implemented in fiscal year 2016 and are the responsibility of the business manager.

**2015-033 – Internal Controls over Paid Time Off Leave Balances (Compliance and Other Matters)**

**Condition:** During our audit, it was noted that an employee is able to use their PTO in excess of their accumulated leave balance. We noted 2 employees with a negative accumulated PTO balance in the amount of 22 hours in total as of June 30, 2015.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**CORRALES INTERNATIONAL CHARTER SCHOOL (CONTINUED)**

**2015-033 – Internal Controls over Paid Time Off Leave Balances (Compliance and Other Matters) (Continued)**

**Criteria:** Per NMAC 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. In addition, the anti-donation clause of the New Mexico Constitution, Article IX, Section 14, provides that “neither the state nor any county, school district or municipality, except as otherwise provided in the constitution, 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...”.

**Cause:** Lack of effective controls and procedures surrounding the accumulation and use of PTO Leave Balances.

**Effect:** Non compliance with the applicable statutes.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established to ensure leave balances are properly accumulated and that an employee can only use PTO leave balances up to what they have accumulated.

**Management's Response:** Effective for fiscal year 2016, the business office has implemented procedures to ensure that any employee taking or requesting leave is not entering into a negative leave balance. Corrective action is the responsibility of the business manager.

**2015-034 - Budgetary Conditions (Compliance and Other Matters)**

**Condition:** The school has an expenditure function where actual expenditures exceeded budgetary authority:

Fund 24154 - Teacher/Principal Training - \$250

**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.

**Cause:** Management oversight.

**Effect:** Non-compliance with state statutes.

**Auditor's Recommendation:** The School should establish a policy of budgetary review at year-end and make the necessary budgetary adjustments.

STATE OF NEW MEXICO  
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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**CORRALES INTERNATIONAL CHARTER SCHOOL (CONTINUED)**

**2015-034 - Budgetary Conditions (Compliance and Other Matters) (Continued)**

**Management's Response:** The business office and the Head of School are currently reviewing the budget on a quarterly basis to ensure that budget adjustments are being made timely.

**2015-035 - Chief Procurement Officer Registration (Compliance and Other Matters)**

**Condition:** The school's chief procurement officer registered with the General Services Department is no longer employed by the school. The school has not provided the state purchasing agent the name of the new chief procurement officer nor has an individual at the school completed the certification program.

**Criteria:** Local public bodies shall provide the state purchasing division with their chief procurement officer on or before January 1 or each year beginning in 2014 as required by NMSA Section 13-1-95.2.

**Cause:** Management oversight.

**Effect:** Non-compliance with state statutes.

**Auditor's Recommendation:** The School should establish internal controls to ensure compliance with all new laws and regulations.

**Management's Response:** Due to the unexpected resignation of the School's CPO and the length of time it takes to study and take the CPO exam, the School was unable to replace the CPO by the fiscal year end. Corrales International School is aware of the CPO requirement and currently has the Assistant Head of School taking the CPO course and test. Corrales International School expects to be in compliance by early 2016. Corrective action is the responsibility of the business manager.

**2015-036 – Payroll Related Contributions and Reporting (Compliance and Other Matters)**

**Condition:** During our audit, we noted that the school failed to file the 2015 1<sup>st</sup> quarter 941 report. In addition, the ERB monthly contributions and report for May 2015 were not submitted timely; as a result, a \$10 penalty was assessed.

**Criteria:** The IRS requires accurate quarterly filing and reporting of the school's wages and related taxes on form 941. In addition, the ERB requires monthly contributions and submissions within 15 days of month-end.

**Cause:** During the fiscal year, management utilized 2 different business managers, which resulted in periods of time during the year in which adequate controls were not being followed.

**Effect:** Non compliance with required contribution and filing requirements, possible penalties.

**Auditor's Recommendation:** We recommend management establish procedures to ensure timely submission of all reporting and contribution requirements.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**CORRALES INTERNATIONAL CHARTER SCHOOL (CONTINUED)**

**2015-036 – Payroll Related Contributions and Reporting (Compliance and Other Matters) (Continued)**

**Management's Response:** For fiscal year 2016, the business office at Corrales International School has established procedures to ensure that all required reporting is done on time. Corrective action is the responsibility of the business manager.

**2015-037 – Supporting Documentation on Journal Entries (Internal Controls – Material Weakness)**

**Condition:** During the audit, management was unable to provide the original supporting documentation of some of the journal entries posted during the fiscal year; furthermore, it was unknown if all journal entries were reviewed and approved by someone independent of the preparer.

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Transition of multiple business managers during the fiscal year and the journal entry binder containing all supporting documentation was not readily available.

**Effect:** Potential misstatements of financial statements or misappropriation of assets.

**Auditor's Recommendation:** We recommend that management establish procedures and controls that all journal entries are properly reviewed and approved and that supporting documentation is maintained.

**Management's Response:** Corrales International School's business office is currently taking the proper actions to ensure that all journal entries are approved and kept on-site with supporting documentation. Corrective action is the responsibility of the business manager.

**DIGITAL ARTS AND TECHNOLOGY ACADEMY**

**2013-069 – Purchasing (Compliance and Other Matters)**

**Condition:** During our review of 27 disbursements, we noted 1 instance in the amount of \$2,491, in which the goods were ordered before a purchase order was issued. In addition, we noted 1 instance in which the actual purchase was \$1,200 and exceeded the original purchase order amount of \$749, which was subsequently modified, but not until after the services were already received.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**DIGITAL ARTS AND TECHNOLOGY ACADEMY (CONTINUED)**

**2013-069 – Purchasing (Compliance and Other Matters) (Continued)**

*Management's Progress for a Repeat Finding: Management failed to ensure adequate internal controls surrounding proper documentation of approval and budget check on all purchases, management plans to add additional procedures to ensure 100% compliance.*

**Criteria:** Per PSAB Supplement 13-Purchasing, the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.

**Cause:** Lack of adequate controls and effective procedures surrounding the purchasing process.

**Effect:** Possible unauthorized purchases or purchases without adequate budget authority.

**Auditor's Recommendation:** We recommend that management establish appropriate controls and procedures to ensure all purchases have an approved purchase order/purchase requisition prior to the purchase.

**Management's Response:** The school's policies and procedures are in place to address this issue. School administration will work to train staff and vendors in complying with the school's policies and procedures as well as state laws and regulations. Corrective action will be implemented immediately and is the responsibility of the business manager.

**GORDON BERNELL CHARTER SCHOOL**

**2015-016-Dispostion of Real Property (Compliance and Other Matters)**

**Condition:** During our review of governing council minutes, we noted the school donated two vehicles to a non-profit entity.

**Criteria:** Article IX, Section 14 of the New Mexico Constitution states that neither the state nor any county, school district or municipality, except as otherwise provided in this constitution, 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. In addition, per NMSA 13-6-1, regarding the Disposition of obsolete, worn-out or unusable tangible personal property:

A. The governing authority of each state agency, local public body, school district and state educational institution may dispose of any item of tangible personal property belonging to that authority and delete the item from its public inventory upon a specific finding by the authority that the item of property is:

- (1) of a current resale value of five thousand dollars (\$5,000) or less; and
- (2) worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the body.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**GORDON BERNELL CHARTER SCHOOL (CONTINUED)**

**2015-016-Disposition of Real Property (Compliance and Other Matters) (Continued)**

B. The governing authority shall, as a prerequisite to the disposition of any items of tangible personal property:

- (1) designate a committee of at least three officials of the governing authority to approve and oversee the disposition; and
- (2) give notification at least thirty days prior to its action making the deletion by sending a copy of its official finding and the proposed disposition of the property to the state auditor and the appropriate approval authority designated in Section 13-6-2 NMSA 1978, duly sworn and subscribed under oath by each member of the authority approving the action.

**Cause:** Management oversight.

**Effect:** Non compliance with the applicable statutes.

**Auditor's Recommendation:** We recommend that management establish procedures to ensure management and the Governing Council are familiar with all requirements and applicable laws/regulations surrounding the disposal of capital assets.

**Management's Response:** The vehicles were not purchased with public funds; instead, they were donated to Gordon Bernell Charter School. When we donated the two vehicles, the school believed we were following all required procedures and processes for the disposal as it was approved through the State Auditor's Office. The school is now aware of Article IX, Section 14 of the New Mexico Constitution and NMSA 13-6-1 regarding donations of assets. In future situations involving disposal or donation of school assets, the proper procedures will be followed. Corrective action will be implemented immediately and is the responsibility of the business manager.

**LA ACADEMIA DE ESPERANZA**

**2014-007 – Purchasing (Compliance and Other Matters)**

**Condition:** During our review of 32 disbursements, we noted 3 disbursements which exceeded the established PO amount of \$674.37. We noted 1 of 32 disbursements tested, totaling \$5,000, which lacked an approved purchase order prior to the purchase of goods or services.

*Management's Progress for a Repeat Finding: Management failed to ensure adequate internal controls surrounding the approval of purchases in advance, management plans to add additional procedures to ensure 100% compliance.*

**Criteria:** Per PSAB Supplement 13-Purchasing, the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.

**Cause:** Lack of adequate controls and procedures surrounding the disbursement process.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**LA ACADEMIA DE ESPERANZA (CONTINUED)**

**2014-007 – Purchasing (Compliance and Other Matters) (Continued)**

**Effect:** Possible unauthorized purchases or purchases without adequate budget authority.

**Auditor's Recommendation:** We recommend that management establish appropriate controls and procedures to ensure all purchases have an approved purchase order/purchase requisition prior to the purchase.

**Management's Response:** The principal and business manager will develop new procedures that will be put into effect to establish better internal controls with regard to purchase orders. Change orders will occur when tax or shipping charges have not been included on the original PO. Corrective action will be implemented immediately and is the responsibility of the business manager.

**2015-028 - Internal Control over Financial Reporting (Significant Deficiency)**

**Condition:** During the audit, it was determined that management miscoded the transaction date on the FY15 summer payroll. As a result, the incorrect trial balance was initially provided to the auditors. Furthermore, the required reports submitted to PED included inaccuracies and required re-submission.

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Lack of effective internal controls surrounding the year-end financial close and reporting process.

**Effect:** Potential misstatements of financial statements.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established surrounding the year-end financial close and reporting process.

**Management's Response:** The business manager will develop an end of year checklist that will be established to support the financial close of year and end of year reports. Corrective action will be implemented immediately and is the responsibility of the business manager.

**2015-029 - Budgetary Conditions (Compliance and Other Matters)**

**Condition:** During the audit, we noted the School had an expenditure function where actual expenditures exceeded budgetary authority: Fund 28203 - Grads Program \$3,250

**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.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**LA ACADEMIA DE ESPERANZA (CONTINUED)**

**2015-029 - Budgetary Conditions (Compliance and Other Matters) (Continued)**

**Cause:** Management oversight.

**Effect:** Non-compliance with state statutes.

**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 year-end checklist will include budgetary review of all functions so any necessary transfer and maintenance BARS can be performed by June 30. Corrective action will be implemented immediately and is the responsibility of the business manager.

**LOS PUENTES CHARTER SCHOOL**

**2014-011 - Timely Deposit of Cash Receipts (Compliance and Other Matters)**

**Condition:** During our review of 11 cash receipts, we noted 1 deposit in the amount of \$150 that was not deposited within 24 hours of receipt as required.

*Management's Progress for a Repeat Finding: Management failed to ensure adequate internal controls surrounding the timely deposit of all cash receipts, management plans to add additional procedures to ensure 100% compliance.*

**Criteria:** NMAC 6.20.2.14 states that money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

**Cause:** Management oversight.

**Effect:** Non-compliance with NMAC 6.20.2.14.

**Auditor's Recommendation:** We recommend that management ensure all staff involved with cash receipts and deposits are familiar with the established procedures to ensure timely deposit of all receipts as required.

**Management's Response:** Management has set policies and procedures in place to ensure that all cash receipts are deposited within 24 hours. Management will reiterate with staff, and continue to reiterate throughout the year, the importance of following the procedures. Corrective action will be implemented immediately and is the responsibility of the business manager.



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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**LOS PUENTES CHARTER SCHOOL (CONTINUED)**

**2015-027 – Purchasing (Compliance and Other Matters)**

**Condition:** During our review of 21 cash disbursements, we noted two instances where payment was made before a purchase order was authorized, totaling approximately \$28k.

**Criteria:** Per PSAB Supplement 13-Purchasing, the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.

**Cause:** Management oversight.

**Effect:** Possible unauthorized purchases or purchases without adequate budget authority.

**Auditor's Recommendation:** We recommend that management establish appropriate controls and procedures to ensure all purchases have an approved purchase order/purchase requisition prior to the purchase.

**Management's Response:** Management has set policies and procedures in place to ensure that all purchases have been properly approved before a purchase is made. Management will reiterate with staff, and continue to reiterate throughout the year, the importance of following these procedures. Corrective action will be implemented immediately and is the responsibility of the business manager.

**FRIENDS OF THE MONTESSORI FOUNDATION**

**2013-019 – Internal Control Structure (Significant Deficiency)**

**Condition:** During our audit, we noted the following issues:

- The Foundation was unable to provide evidence of purchase orders for two transactions totaling \$2,000.
- During our review of two payroll disbursements, 1 lacked a documented timesheet to support the amount paid.
- We noted 2 of 21 disbursements reviewed, totaling \$3,234.49, in which an approved purchase order was not established prior to the purchase.
- During review of cash receipts, we noted that 2 of 27 deposits totaling \$1,605 lacked a proper receipt.

*Management's Progress for a Repeat Finding: Management corrected some of the issues identified in prior year and the items noted are less significant. Management was still dealing with staff turnover and anticipates the issues to be completely resolved for FY16.*

**Criteria:** The Foundation 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** During the fiscal year, the Foundation experienced turnover of the Foundation manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**FRIENDS OF THE MONTESSORI FOUNDATION (CONTINUED)**

**2013-019 – Internal Control Structure (Significant Deficiency) (Continued)**

**Effect:** Possible misstatements to the financial statements, possible misappropriation of assets.

**Auditor's Recommendation:** We recommend that management establish an internal control structure which can be maintained if the Foundation experiences turnover.

**Management's Response:** We will issue and approve purchase orders prior to all cash disbursements being made. The Treasurer will review and approve the Executive Assistant's timesheets prior to a check being issued for contracted services. Also, we will keep adequate supporting documentation for all receipts. Additionally, we will continue to have regular Finance Committee meetings to monitor progress. Corrective action will be implemented immediately and is the responsibility of the treasurer.

**MOUNTAIN MAHOGANY COMMUNITY SCHOOL**

**2015-011 – Internal Control Over Cash Receipts (Significant Deficiency)**

**Condition:** During our audit, we identified a receipt in the amount of approximately \$13k which was incorrectly recorded to fund 31600 instead of fund 31700.

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Lack of effective internal controls surrounding the cash receipt process of county tax payments.

**Effect:** Potential misstatements of financial statements.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established surrounding the cash receipt process to ensure accurate recording of all receipts.

**Management's Response:** This issue is an example of why we have changed business managers as of July 1, 2015. It was determined that the individual did not have adequate capabilities in order to properly record transactions. So an experienced Business Manager has been hired. In addition, starting July 1, 2015, we are ensuring that, monthly, the Business Manager reviews all detailed revenue transactions in reports by fund. We are also training the Principal in analytical methods so that he can review the overall monthly financial statements, which are by fund, for possible errors. Corrective action is the responsibility of the business manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**NATIVE AMERICAN COMMUNITY ACADEMY**

**2014-012 - Internal Control Over Financial Reporting (Significant Deficiency)**

**Condition:** During our audit, we encountered the following issues:

- During our testing of subsequent receipts, we identified approximately \$10,600 in cash receipts that should have been identified as accounts receivable as of June 30, 2015 by management.
- The beginning balance of the initial capital asset roll forward schedule provided during the audit didn't agree to the ending balance on the prior year schedule. A portion of the FY14 additions were inadvertently excluded from the beginning balance.

*Management's Progress for a Repeat Finding: Management corrected some of the issues identified in prior year and the items noted are less significant and relatively simple oversights, however, management failed to make sure adequate controls are established over financial reporting.*

**Criteria:** 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, and 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:** Misstatements of financial statements.

**Cause:** Lack of effective internal controls surrounding the financial reporting process.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established surrounding the financial reporting process.

**Management's Response:** The cash receipt was due to an adjustment for a June billing that was submitted in August combined with July billing. Director of finance will ensure to review all cash receipts in order to identify all accounts receivable.

There was an adjustment to the capital assets after fieldwork had been completed in the prior year but was not updated on rollforward by the Director of Finance. The Director of Finance will ensure to verify beginning balances to prior year financial statements when completing the capital asset rollforward on an ongoing basis. Corrective action will be implemented immediately and is the responsibility of the Director of Finance.

**2015-007 - Security for Deposits of Public Money (Compliance and Other Matters)**

**Condition:** During our audit, we noted the school had approximately \$57,000 in deposits in excess of FDIC which were not secured as of June 30, 2015.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**NATIVE AMERICAN COMMUNITY ACADEMY (CONTINUED)**

**Criteria:** Per 6-10-16 NMSA 1978, deposits of public money shall be secured by: (1) securities of the United States, its agencies or instrumentalities; (2) securities of the state of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions; (3) securities, including student loans, that are guaranteed by the United States or the state of New Mexico; (4) revenue bonds that are underwritten by a member of the financial industry regulatory authority, known as FINRA, and are rated "BAA" or above by a nationally recognized bond rating service; or (5) letters of credit issued by a federal home loan bank. Per 6-10-17 NMSA 1978, the securities delivered shall have an aggregate value equal to one-half the amount of public money to be received.

**Cause:** Management oversight.

**Effect:** Non compliance with the applicable statutes.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established to ensure compliance with 6-10-16 NMSA 1978

**Management's Response:** This error was due to a \$250,000 deposit that was done late in the afternoon on 6/30/15 and, according to Wells Fargo, was not collateralized until 7/1/15. The Director of Finance is working with Wells Fargo on a monthly basis to ensure this does not happen again. Corrective action will be implemented immediately and is the responsibility of the Director of Finance.

**2015-006 – Internal Control Structure (Material Weakness)**

**Condition:** During our audit, we noted the following issues:

- The Foundation lacks documentation of minutes from board meetings.
- The Foundation lacks a monthly process to review and reconcile financials on a monthly or quarterly basis. The original trial balance provided during the audit included 2 accounts totaling approximately \$20k that required a reconciliation.
- We noted approximately \$34k in accounts payable which required an audit adjustment. In addition, an adjustment to cash was required in the amount of \$250k for a check written prior to June 30, 2015.
- The review of the bank reconciliations is performed by the executive director; however, an additional review should be performed by the board treasurer.
- The Foundation lacks formal policies and procedures surrounding the use of the Paypal account, which has a balance of approximately \$600 and is not reported on the Foundation financial statements.

**Criteria:** The Foundation 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Lack of adequate internal controls over the financial activity and transactions of the Foundation.

**Effect:** Possible misstatements to the financial statements, possible misappropriation of assets.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**NATIVE AMERICAN COMMUNITY ACADEMY FOUNDATION**

**2015-006 – Internal Control Structure (Material Weakness) (Continued)**

**Auditor's Recommendation:** We recommend that management evaluate the current internal controls and establish an internal control structure over all activities and reporting of the foundation.

**Management's Response:** The Foundation has developed formal policies and procedures and is currently ensuring that they are being followed. A lot of the errors were due to implementing a new accounting system. They have now been corrected and manual checks are no longer used. The Director of Finance is now printing monthly financial statements along with bank reconciliations for the Executive Director to review. The Treasurer will begin to review on a quarterly basis. Corrective action will be implemented immediately and is the responsibility of the Director of Finance.

**NUESTROS VALORES CHARTER SCHOOL**

**2013-032 – Internal Controls Surrounding Capital Asset Reporting (Material Weakness)**

**Condition:** During our test work over capital assets, we noted the capital asset schedule prepared by the school incorrectly listed the beginning net book value balance as \$197,501, while the correct value should have been \$273,257. Furthermore, the asset listing contained assets that were previously fully depreciated and removed from the listing.

*Management's Progress for a Repeat Finding: Management corrected the issues identified in prior year that were associated with the identification of capital asset additions, however, management failed to ensure adequate internal controls surrounding the entire capital asset reporting process were established.*

**Criteria:** NMAC 6.20.2.22 requires that assets of a long-term character which are intended to continue to be held or used, such as land (including acquisition and improvements to grounds), buildings (including initial acquisition, improvements, remodeling, additions, and replacement), 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. In addition, 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Management oversight, lack of effective internal controls surrounding the financial reporting process of capital assets.

**Effect:** Misstatements of financial statements.

**Auditor's Recommendation:** We recommend that management establish a process to properly prepare the capital asset roll forward schedule on annual basis.

**Management's Response:** The Business Manager has received and revised the current depreciation schedule. This will be correct for the 2016 fiscal year and is the responsibility of the business manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**NUESTROS VALORES CHARTER SCHOOL (CONTINUED)**

**2014-014 – Timely Deposit of Cash Receipts (Compliance and Other Matters)**

**Condition:** During our review of 10 cash receipts, we noted 1 deposit in the amount of \$250 that was not deposited within 24 hours of receipt as required.

*Management's Progress for a Repeat Finding: Management failed to ensure adequate internal controls surrounding the timely deposit of all cash receipts, management plans to add additional procedures to ensure 100% compliance.*

**Criteria:** NMAC 6.20.2.14 states that money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day.

**Cause:** Management oversight.

**Effect:** Non-compliance with NMAC 6.20.2.14.

**Auditor's Recommendation:** We recommend that management ensure all staff involved with cash receipts and deposits are familiar with the established procedures to ensure timely deposit of all receipts as required.

**Management's Response:** The Business Manager will be notified by the Office Manager and/or Executive Director when checks are received when the business manager is not in the office. Either the BM or BM assistants will go into the office to deposit the received check/cash. Corrective action will be implemented immediately and is the responsibility of the business manager.

**2015-008 - Chief Procurement Officer (Compliance and Other Matters)**

**Condition:** The school had not yet provided to the state purchasing division their chief procurement officer for FY15 as required.

**Criteria:** Local public bodies shall provide the state purchasing division with their chief procurement officer on or before January 1 or each year beginning in 2014 as required by NMSA Section 13-1-95.2.

**Cause:** Management oversight.

**Effect:** Non-compliance with state statutes.

**Auditor's Recommendation:** The School should establish internal controls to ensure compliance with all new laws and regulations.

**Management's Response:** The principal is already registered and certified for the fiscal year 2016 and will register on January 1 of each year. Corrective action will be implemented immediately and is the responsibility of the business manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**NUESTROS VALORES CHARTER SCHOOL (CONTINUED)**

**2015-009 - Internal Control Structure (Significant Deficiency)**

**Condition:** During our test work over accounts payable, we noted accounts payable in the amount of approximately \$3,300 related to goods/services provided to the school as of June 30, 2015; however, management did not properly identify this as accounts payable as of June 30, 2015.

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Effect:** Misstatements of financial statements.

**Cause:** Lack of effective internal controls surrounding the financial reporting process.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established surrounding the financial reporting process.

**Management's Response:** The business manager, along with the finance committee, will review all July and August payments to determine whether or not they should be added to the AP as of June 30 along with all rolled over POs not yet paid as of June 30. Corrective action will be implemented immediately and is the responsibility of the business manager.

**PUBLIC ACADEMY FOR PERFORMING ARTS**

**2014-017 – Bank Reconciliation (Significant Deficiency)**

**Condition:** During our review of the year-end bank reconciliation, we noted an ACH item listed as an outstanding item in the amount of approximately \$80,518; however, this item cleared the bank July 15, July 16, and July 17, 2015 and was not a valid outstanding item against cash.

*Management's Progress for a Repeat Finding: Management failed to correct the issue from prior and plans to establish a control to correct this next year.*

**Criteria:** Per NMAC 6.20.2.14, school districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the Office of Management and Budget (OMB) Circular A-102, and applicable state and federal laws and regulations. In addition, 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Management oversight, lack of effective internal controls surrounding the bank reconciliation.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**PUBLIC ACADEMY FOR PERFORMING ARTS (CONTINUED)**

**2014-017 – Bank Reconciliation (Significant Deficiency) (Continued)**

**Effect:** Non-compliance with state statutes, possible misstatements to the financial statements.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established to ensure accurate bank reconciliations are performed monthly as required and that all items at year-end are properly classified as outstanding items against cash accrued liabilities depending on the actual disbursement/ACH date.

**Management's Response:** The finance committee will work with the Business Manager on August 1st to determine all outstanding items as of June 30, 2016 that should be reported as an AP on the 2016 financial statements. Corrective action will be implemented immediately and is the responsibility of the business manager.

**ROBERT F. KENNEDY CHARTER SCHOOL**

**2014-018 – Purchasing (Compliance and Other Matters)**

**Condition:** During our review of cash disbursements, we noted 5 out of 37, totaling approximately \$4,500, in which purchases exceeded the purchase order. We noted 1 out of 37, totaling approximately \$5,350, in which an approved purchase order was not established prior to the purchase.

*Management's Progress for a Repeat Finding: Management failed to correct the issue from prior and plans to establish procedures during FY16 to ensure compliance.*

**Criteria:** Per PSAB Supplement 13-Purchasing, the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction. In addition, the actual purchase amount should not exceed the purchase order amount without adequate approval.

**Cause:** During the year, the school lacked adequate controls and procedures surrounding the disbursement process.

**Effect:** Possible unauthorized purchases or purchases without adequate budget authority.

**Auditor's Recommendation:** We recommend that management establish appropriate controls and procedures to ensure all purchases have an approved purchase order/purchase requisition prior to the purchase.

**Management's Response:** The office manager will follow the internal control policies and procedures for purchasing ongoing; the business office will follow proper procurement procedures. The accounting software, purchasing module configurations have been changed to have a zero allowable threshold for payment, so as not to exceed purchase order budgeted amount. Corrective action will be implemented immediately and is the responsibility of the business manager.



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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ROBERT F. KENNEDY CHARTER SCHOOL (CONTINUED)**

**2015-020 – Capital Assets (Significant Deficiency)**

**Condition:** During our test work over capital assets, we identified the purchase of two capital assets in the amount of approximately \$13,500 which were not identified by the school as a capital asset.

**Criteria:** Per 12-6-10 NMSA 1978, agencies are to capitalize chattels and equipment that cost over \$5,000.

**Cause:** Management oversight, lack of effective internal controls surrounding the process to identify capital assets for year-end reporting.

**Effect:** Misstatement of financial statements.

**Auditor's Recommendation:** We recommend that management establish a process to properly identify purchases of all capital assets which meet the threshold of \$5,000. This process should include the use of the proper account code at the time of purchase as identified in the uniform chart of accounts, 57331 Fixed Assets (More Than \$5,000).

**Management's Response:** The school is in the process of adapting a new inventory system, called TipWeb-IT, which will help track assets. Also, the business office is training with Harris Computers to learn the Capital Assets Module in Aptafund, the school's accounting software. The office manager will work with the business office to code correctly assets over \$5,000 and to update the Capital Assets Depreciation schedule monthly for management review. Corrective action will be implemented immediately and is the responsibility of the business manager.

**2015-021 Timely Submission of ERB Contributions (Compliance and Other Matters)**

**Condition:** During our review of the monthly ERB contributions, we noted two months which were not filed in a timely manner.

**Criteria:** ERB requires the monthly ERB contributions to be submitted within 15 days of the end of the month.

**Cause:** Management oversight.

**Effect:** Non compliance with ERB contribution and filing requirements, possible penalties.

**Auditor's Recommendation:** We recommend management establish procedures to ensure timely submission of the ERB contributions.

**Management's Response:** The business office will process all monthly liabilities in accordance with the guidelines to due dates. A procedure will be put in place to process all liability payments by the 9<sup>th</sup> of each month. The liability payments will be reviewed by management on the 10<sup>th</sup> of each month during budget meeting to ensure all payments have been made. Corrective action will be implemented immediately and is the responsibility of the business manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ROBERT F. KENNEDY CHARTER SCHOOL (CONTINUED)**

**2015-022 – Travel and Per Diem (Compliance and Other Matters)**

**Condition:** During our review of 3 travel and per diem related disbursements, we noted one in which a mileage reimbursement rate of .44 cents was used instead of the mileage reimbursement rate in the school's policy of .55 cents. The employee was entitled to an additional \$51 in mileage reimbursement.

**Criteria:** Per NMAC 6.20.2.19, each school district shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and Department of Finance and Administration (DFA) regulations.

**Criteria:** Per NMAC 6.20.2. 19, each school district shall establish and implement written policies and procedures for travel and training. Travel policies and procedures shall be in compliance with the Per Diem and Mileage Act, Sections 10-8-1 through 10-8-8, NMSA 1978, and Department of Finance and Administration (DFA) regulations.

**Cause:** Management oversight.

**Effect:** Non-compliance with NMAC 6.20.2.19/school policy and incorrect reimbursements.

**Auditor's Recommendation:** We recommend that management ensure all staff involved with travel and per diem reimbursements are familiar with the established procedures to ensure compliance.

**Management's Response:** The business office and the office manager will comply with NMAC 6.20.2.19, as well as the school's policy and procedures for travel and mileage reimbursement for all employees ongoing. RFK's Per Diem and Travel forms have been updated to reflect current mileage and per diem rates. Corrective action will be implemented immediately and is the responsibility of the business manager.

**2015-023 Personnel Files (Compliance and Other Matters)**

**Condition:** During our audit, we noted 1 out of 5 personnel files reviewed which lacked the ERB enrollment form.

**Criteria:** Per NMAC 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 certification, pay deductions authorizations, pay or position change notices, Education Retirement Act plan application, and direct deposit authorizations.

**Cause:** Lack of effective controls and procedures surrounding the personnel files.

**Effect:** Non compliance with the applicable statutes.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ROBERT F. KENNEDY CHARTER SCHOOL (CONTINUED)**

**2015-023 Personnel Files (Compliance and Other Matters) (Continued)**

**Auditor's Recommendation:** We recommend that management establish procedures to ensure the required documentation is contained in all personnel files.

**Management's Response:** RFK has a new employee checklist which will be used by the business office and the office manager ongoing to ensure all required documents are received prior to hire date and filed in the employee file in an organized manner. Corrective action will be implemented immediately and is the responsibility of the business manager.

**SOUTH VALLEY ACADEMY**

**2015-019 Internal Control Structure (Compliance and Other Matters)**

**Condition:** During our audit we encountered the following issues:

- During our search for unrecorded liabilities, we identified approximately \$1,647 in liabilities that should have been identified as liabilities as of June 30, 2015 by management.
- During our cash receipts test work, we identified a lack of food count sheets to support the first week of September 2014's reimbursement claim for student snacks.

**Criteria:** 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, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with GAAP.

**Cause:** Management oversight.

**Effect:** Potential misstatements of financial statements.

**Auditor's Recommendation:** We recommend that management evaluate the exceptions noted and evaluate the internal controls surrounding those procedures and establish adequate controls to prevent future occurrences.

**Management's Response:** The Business Manager will make sure that, at year end, liabilities are identified and recorded in the appropriate FY. In addition, SVA has already implemented a swiping system for the food program to ensure accurate food counts. These are stored electronically on a daily basis. Corrective action will be implemented immediately and is the responsibility of the business manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**THE BATAAN MILITARY ACADEMY**

**2015-013 Audit Confidentiality (Compliance and Other Matters)**

**Condition:** During the review of Governing Council meeting minutes in September 2014, it was noted that the School publicly discussed potential audit findings.

**Criteria:** State Audit Rule 2.2.2.10.J. states that agency personnel and the Agency's IPA shall not release information to the public relating to the audit until the audit report is released by the Office, and has become a public record.

**Cause:** Management oversight.

**Effect:** Non-compliance with NM State Audit Rule 2.2.2.10.J.

**Auditor's Recommendation:** We recommend that management and Governing Council members familiarize themselves with applicable rules and regulations in the State of New Mexico as it pertains to a charter school.

**Management's Response:** This has been corrected. Management and the Governing Council have addressed this issue and understand the rules and regulations of the State of New Mexico as they pertain to charter schools. Discussions regarding the audit will only be discussed during a closed session meeting until the audit has been formally released. Corrective action is the responsibility of the business manager.

**2015-014 Delinquent State Taxes/Penalties (Compliance and Other Matters)**

**Condition:** During the fiscal year, the School received notification from the New Mexico Taxation and Revenue Department of a suspension of their tax exempt status due to unpaid taxes/penalties from FY14 in the amount of \$28.

**Criteria:** The New Mexico Taxation and Revenue Department requires timely reporting and payments.

**Cause:** Management oversight.

**Effect:** Non-compliance and temporary loss of tax-exempt status.

**Auditor's Recommendation:** We recommend that management establish controls to make timely payments to the State of New Mexico and any other vendor of the school.

**Management's Response:** This has been corrected. The current business manager is in compliance with all tax payments and has not incurred any penalties due to unpaid taxes. Any discrepancies that may occur are handled immediately by the business manager. Corrective action is the responsibility of the business manager.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**THE BATAAN MILITARY ACADEMY (CONTINUED)**

**2015-015 – Internal Controls over Paid Time Off Leave Balances (Compliance and Other Matters)**

**Condition:** During our audit, it was noted that an employee is able to use PTO leave balances within the accounting system in excess of their earned accumulated leave balance. We noted 1 employee that reported a negative accumulated PTO balance in the amount of 6.6 days in total as of June 30, 2015 within the accounting system. However, management indicated that the employee had in fact worked extra days during the school year and the use of earned PTO was unnecessary. The school did not maintain appropriate documentation surrounding the use of the employee's paid time off.

**Criteria:** Per NMAC 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. In addition, the anti-donation clause of the New Mexico Constitution, Article IX, Section 14, provides that "neither the state nor any county, school district or municipality, except as otherwise provided in the constitution, 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...".

**Cause:** Lack of effective controls and procedures surrounding the accumulation and use of PTO Leave Balances.

**Effect:** Non compliance with the applicable statutes.

**Auditor's Recommendation:** We recommend that management ensure that adequate internal controls are established to ensure leave balances are properly accumulated and that an employee can only use PTO leave balances up to what they have accumulated.

**Management's Response:** This has been corrected. A review of all leave is being conducted on a semi-monthly basis prior to processing payroll, which is paid semi-monthly on the 15<sup>th</sup> and the last day of the month. Any negative balances will be addressed immediately by the business manager. Corrective action is the responsibility of the business manager.

**APS FOUNDATION**

**2015-010 – Restatement for Classification of Net Assets (Material Weakness)**

**Condition:** During the year ended June 30, 2015, it was noted that there were several errors in the classification of net assets into unrestricted, temporarily restricted, and permanently restricted net assets for contributions received in years prior to June 30, 2015. June 30, 2014 unrestricted net assets were overstated by \$214,020, temporarily restricted net assets were understated by \$206,101, and permanently restricted net assets were understated by \$7,919.

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**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**APS FOUNDATION (CONTINUED)**

**2015-010 – Restatement for Classification of Net Assets (Material Weakness) (Continued)**

**Criteria:** Per FASB ASC 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Classification is based upon the existence or absence of donor-imposed restrictions.

**Cause:** In previous years, not all contributions received were reported in the appropriate net asset class according to existence or absence of donor restriction.

**Effect:** Unrestricted net assets were overstated by \$214,020, temporarily restricted net assets were understated by \$206,101, and permanently restricted net assets were understated by \$7,919. The financial statements for the year ended June 30, 2015 included a restatement of the June 30, 2014 net asset balances by these amounts.

**Auditor's Recommendation:** We recommend the Foundation review each contribution for donor imposed restrictions and report those contributions as unrestricted, temporarily restricted, or permanently restricted, in accordance with those restrictions.

**Management's Response:** The Executive Director is responsible for reviewing all contributions and donor restrictions and ensuring they are appropriately recorded in the financial statements. Prior to June 30, 2015, Executive Director review was put into place. The Executive Director has reviewed all previous contributions and will continue to diligently monitor and report restrictions.

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**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**ALBUQUERQUE PUBLIC SCHOOLS**

**2015-005 (original finding #2012-001) Payroll Allowable Activities/Costs (Significant Deficiency, Instance of Noncompliance)**

**Federal Program:** IDEA-B (CFDA #84.027)

**Federal Agency:** Department of Education

**Federal Award Year:** 2014

**Pass through Agency:** New Mexico Public Education Department

**Pass through Award Number:** IDEA - B (H027A140078)

**Questioned Costs:** \$11,901

**Condition:** Testwork performed relating to allowable activities/costs associated with the IDEA B grant revealed one employee, out of 40 payroll disbursements tested, who was overpaid by \$11,901 from the grant. The employee resigned at the beginning of the school year; however, the human resources department was not notified until eight months subsequent to the resignation. The employee was paid out of the grant during the eight month period. The payroll department located the overpayment during a review of its year-end report but failed to notify the grant department. Because the grant department was not notified, an entry to remove the expense from the grant was not made until the necessity of doing so was communicated by the external auditors.

*Management's Progress for Repeat Findings: The District will be implementing a new Contract Management (CM) module as part of the Lawson System on July 1, 2016. It is expected that the new CM Module will eliminate some manual processes, and provide a more stable payroll environment. The CFO is responsible for this implementation.*

**Criteria:** Per OMB A-133 and federal agreements, the programs are reimbursed for actual costs incurred. In addition, A-102 Common Rule requires that non-Federal entities receiving Federal Awards establish and maintain internal control designed to reasonably ensure compliance with Federal laws, regulations, and program compliance requirements.

**Cause:** Management oversight and lack of communication between departments. In addition, lack of controls surrounding the termination process.

**Effect:** The program is not in compliance with grant requirements and the District may have incorrectly charged costs to the programs.

**Auditor's Recommendation:** We recommend that the District establish effective internal controls surrounding the reporting of employee's termination. In addition, we recommend that the District develop an internal process to make the grants department aware of payroll charges that may be unallowable per grant requirements.

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**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2015-005 (original finding #2012-001) Payroll Allowable Activities/Costs (Significant Deficiency, Instance of Noncompliance) (Continued)**

**Management's Response:** The District is evaluating several time absence management software including Kronos and Work Force Solutions so that every person in the district would have to log in from their work site and a report could be generated and reviewed to confirm if an employee was no longer reporting to work. It would also allow the district to manage and automate time sheets. The Assistant Superintendent for Human Resources is responsible for this.

The District is in the process of improving and documenting processes for identifying and communicating instances of payroll overpayments including payroll charges that may be unallowable per grant requirements. Target date for completion is third quarter FY 2016; responsible positions: Operational Fund Controller and Payroll Manager.



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**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS**

**2015-001 Lack of Review Over Free and Reduced Lunch Verification Testing – (Significant Deficiency, Instance of Noncompliance)**

**Federal Program:** National School Lunch Program (CFDA #10.555)

**Federal Agency:** United States Department of Agriculture

**Federal Award Year:** 2014

**Pass through Agency:** New Mexico Public Education Department

**Pass through Award Number:** 21000

**Questioned Costs:** None

**Condition:** Special Test Provision test work performed on Free and Reduced Price Lunch applications revealed one instance, out of 40 tested, in which lack of appropriate application review resulted in the qualification of a student for reduced price lunch as opposed to the appropriate qualification for free lunch. The incorrect qualification was the result of the incorrect calculation of Annual Average Income by Household for the student in question. The calculation was not reviewed by anyone other than the individual who performed the verification process.

**Criteria:** Per the funding program description, a national average payment rate is set for each eligibility category (free, reduced, and paid) within the NSLP program. To ensure proper income has been reported to the District, USDA requires a verification process on error prone applications.

**Cause:** Lack of review over the verification process.

**Effect:** Potential loss or over drawing of funds from the federal funds, as payment from the USDA is determined on the number and type of (free, reduced, or paid) lunches that are served.

**Auditor's Recommendation:** We recommend that management implement controls surrounding the income verification process to include a review of the initial calculation by a separate individual.

**Management's Response:** Management will conduct a review of 20% of the applications that are part of the verification process. 20% represents approximately 300 applications out of the 1,500 that are verified. If a calculation error is found in any of these 300 applications, the review by a separate individual will expand to 100% of the applications that are part of the verification process. The responsible administrator is the Director of Student Nutrition.

**STATE OF NEW MEXICO**  
**ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**ALBUQUERQUE PUBLIC SCHOOLS**

**2015-005 (original finding #2012-001) Allowable Activities/Costs - Payroll (Significant Deficiency, Instance of Noncompliance) - Repeated**

**Federal Programs:** Title I, Part A Cluster (CFDA # 84.010), IDEA – B Cluster (CFDA# 84.027)

**Federal Agency:** Department of Education

**Federal Award Year:** 2013

**Pass through Agency:** New Mexico Public Education Department

**Award Number:** Title I (S010A130031), IDEA – B (H027A130153-13A)

**Questioned Costs:** \$11,965

**Condition:** During our single audit test work over allowable activities/costs for payroll disbursements, we noted the following issues:

- The District was unable to provide a time and effort certification for 1 out of 40 payroll disbursements tested.
- When reviewing 40 payroll disbursements, we noted 1 employee being paid at the incorrect hourly rate for the period of FY2009 – FY2014. The total overpayment approximates \$60,140 (\$11,965 during FY14). The overpayment was a result of a record analyst entering the incorrect pay rate when the employee was hired during FY08-09. The employee's pay rate was corrected in June of 2014 by APS after it was detected by a record analyst.

**2012-005 Internal Controls Surrounding Capital Asset Management (Material Weakness) - Repeated**

**Condition:** During our test work over capital assets, we noted the following:

- The District notified the Office of the State Auditor and Public Education Department in April and May 2014 of various buildings the District intended to demolish. The District began the actual demolition of these buildings in June/July 2014. However, the District did not obtain board approval/notification until August 2014, after the demolition of the buildings commenced.
- During our review of the construction in process (CIP) account balance, we noted the following issues:
  - We identified approximately \$5.5m in CIP that required reclassification to the applicable capital asset class to begin depreciation of the asset not identified by the District.
  - Approximately \$1.3m in CIP projects with no activity since FY11 and approximately \$1m in CIP projects with no activity since FY12. Both of these populations of CIP projects remain in CIP as of June 30, 2014; the District is uncertain as to whether or not the projects are complete and should be reclassified from CIP to a capital asset account.
  - Approximately \$7.1m of the \$126m in CIP that the District transferred to an appropriate capital asset account should have been transferred in FY13.
  - We identified approximately \$570k in year-end accruals to the CIP account balance which represented duplicate expenditures in the population and required an adjustment.

STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE PUBLIC SCHOOLS (CONTINUED)**

**2012-005 Internal Controls Surrounding Capital Asset Management (Material Weakness) (continued) - Repeated**

- During FY14, the District engaged with a company to perform a comprehensive district-wide physical inventory audit of all fixed and technology assets, which included the implementation of a web-based system that will improve the District's site management of these assets. Although the district has substantially completed these physical inventory counts, a complete reconciliation of all counts compared to the asset listing has not been completed. As a result, the District is uncertain as to the extent of missing assets which would need to be removed from the District's capital asset listing as of June 30, 2014.

**2014-001 Over-Expended Budget (Compliance and Other Matters) - Repeated**

**Condition:** During the audit, we noted the following funds/functions where the actual expenditures exceeded the legal level of budgetary control:

- Debt Services Fund (41000) - Support Services - \$41,580.
- Start Smart K-3 Utah State Univ. Study Special Revenue Fund (28191) - Support Services - \$11,365.
- Innovative Solutions for Struggling Schools Special Revenue Fund (27175) - Support Services - \$12,776.

**2014-002 Internal Controls Over Pay and Position Changes (Significant Deficiency) - Resolved**

**Condition:** During our internal control test work, we reviewed 22 payroll disbursements and related personnel files. We noted one instance in which an employee was overpaid by approximately \$424 and one instance in which an employee was underpaid by approximately \$1,846. These incorrect payments were related to pay rate and position changes during the year. The District has acknowledged this as an issue and runs a report prior to year-end to identify any employees that have been either overpaid or underpaid. Although District personnel ran this report prior to year-end, not all under and over payments were corrected prior to the last payroll run. As a result, it is estimated that a total of 105 employees were overpaid by \$78,870 and 62 employees were underpaid by \$26,064.

**21<sup>ST</sup> CENTURY PUBLIC ACADEMY**

**2015-024 (FS 10-05) Internal Control Structure (Compliance and Other Matters) - Repeated**

**Condition:** During our audit, we noted a payroll liability account which was not reconciled and required an audit adjustment to decrease the liability account by approximately \$6,000. In addition, we noted the June tax receipts for the HB33 and SB9 funds were transposed and recorded to the incorrect funds; an approximately \$17k audit adjustment was required.

STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**21<sup>ST</sup> CENTURY PUBLIC ACADEMY (CONTINUED)**

**2013-062 Timely Deposit of Cash Receipts (Compliance and Other Matters) - Repeated**

**Condition:** During our review of cash receipts, we noted 2 of 11 receipts in the amount of approximately \$400 lacked documentation of the actual date of receipt; therefore, we were unable to determine whether the school deposited the receipts within 24 hours of receipt as required.

**2013-064 Budgetary Conditions (Compliance and Other Matters) - Resolved**

**Condition:** During the audit, we noted the School had expenditure functions where actual expenditures exceeded budgetary authority:

Fund 11000 – Instruction - \$35,895  
Fund 21000 – Food Services - \$2,343  
Fund 24154 – Support Services - \$4,743  
Fund 31700 – Support Services - \$147

**ALBUQUERQUE CHARTER ACADEMY (FORMERLY SIATECH)**

**2014-021 Capital Assets (Compliance and Other Matters) - Resolved**

**Condition:** During our test work over capital assets, we identified a purchase of a capital asset in the amount of approximately \$7,200 which was not identified by the school as a capital asset.

**ALBUQUERQUE TALENT DEVELOPMENT ACADEMY**

**2013-021 Travel and Per Diem (Compliance and Other Matters) - Resolved**

**Condition:** During our review of 3 travel and per diem reimbursements, it was noted that for two of the reimbursements, the employee was reimbursed at 100% of the IRS rate.

**2014-004 Internal Control Structure (Significant Deficiency) - Resolved**

**Condition:** During our audit, we encountered the following issues:

- During our journal entry review, we noted that the school will cut a check for some purchases based on online pricing, then will allow the store to modify the payment electronically if the actual amount exceeds the check amount. The school then utilizes journal entries to correct the differences.
- Expenses for janitorial services were incorrectly charged to the SB9 fund (31700) in the amount of approximately \$26,000 and required an audit adjustment to reclassify these expenses to the operating fund.
- During our accounts receivable testwork, we identified an additional approximately \$8,000 accrual which was not previously identified by management.

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ALBUQUERQUE TALENT DEVELOPMENT ACADEMY (CONTINUED)**

**2014-029 Personnel Files (Compliance and Other Matters) - Resolved**

**Condition:** During our audit, we noted 1 of 6 personnel files reviewed which lacked the ERB enrollment form.

**ALICE KING COMMUNITY SCHOOL**

**2013-009 Budgetary Conditions (Compliance and Other Matters) - Repeated**

**Condition:** The School has an expenditure function where actual expenditures exceeded budgetary authority:

Fund 21000 – Food Services - \$4,791

**CHRISTINE DUNCAN HERITAGE ACADEMY**

**2013-028 Timely Deposit of Cash Receipts (Compliance and Other Matters) - Resolved**

**Condition:** During our review of 10 cash receipts, we noted 1 deposit in the amount of \$1,500 which was not deposited within 24 hours of receipt as required.

**CORRALES INTERNATIONAL CHARTER SCHOOL**

**FS 11-21 Internal Control Structure (Compliance and Other Matters) - Resolved**

**Condition:** During our test work over accounts payable and related disbursements we noted the following:

**2014-030 Purchasing (Compliance and Other Matters) - Repeated**

**Condition:** We noted 1 of 38 disbursements tested, totaling \$4,285, which lacked an approved purchase order or purchase requisition prior to the purchase of goods or services.

**DIGITAL ARTS AND TECHNOLOGY ACADEMY**

**2013-069 Purchasing (Compliance and Other Matters) - Repeated**

**Condition:** During our review of 28 disbursements, we noted 4 related to legal expenses which totaled \$3,863 and exceeded the established PO amount of \$1,500.

STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**GORDON BERNELL CHARTER SCHOOL**

**2013-048 Personnel Files (Compliance and Other Matters) - Resolved**

**Condition:** During our audit, we noted 3 of 6 personnel files reviewed which lacked the ERB enrollment form.

**2013-049 Purchasing (Compliance and Other Matters) - Resolved**

**Condition:** We noted 6 of 24 disbursements tested, totaling \$27,287, which lacked an approved purchase order or purchase requisition prior to the purchase of goods or services.

**2014-005 Timely Deposit of Cash Receipts (Compliance and Other Matters) - Resolved**

**Condition:** During our review of 10 cash receipts, we noted 1 deposit in the amount of \$20 which was not deposited within 24 hours of receipt as required.

**2014-006 Payroll Related Contributions and Reporting (Compliance and Other Matters) - Resolved**

**Condition:** During our audit, we noted the 941 report and contributions for the 3<sup>rd</sup> quarter of 2013 (Jul-Sep) were not submitted timely; as a result, a \$95 penalty was assessed. In addition, the ERB monthly contributions and report for August 2013 were not submitted timely; as a result, a \$16 penalty was assessed.

**LA ACADEMIA DE ESPERANZA**

**2014-007 Purchasing (Compliance and Other Matters) - Repeated**

**Condition:** We noted 6 of 27 disbursements tested, totaling \$14,753, which lacked an approved purchase order or purchase requisition prior to the purchase of goods or services.

**2014-008 Governing Council Meeting Minutes (Compliance and Other Matters) - Resolved**

**Condition:** During our review of the December 13, 2013 Governing Council meeting minutes, we noted only 2 members present, which would not represent a quorum. However, management indicated 2 of the members noted as being absent were in fact in attendance via the telephone.

**2014-009 Use of HB33 Funds (Significant Deficiency) - Resolved**

**Condition:** During our audit, we noted that management incorrectly recorded approximately \$119,000 in building lease expenses to the HB33 fund, which required an audit adjustment to reclassify these expenses to the operating fund.

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**LOS PUENTES CHARTER SCHOOL**

**2013-027 Payroll (Compliance and Other Matters) - Resolved**

**Condition:** During our FY13 audit, it was noted that, due to the structure of the school's licensed staff contract, the school is making payroll advances as the contract has a start date that precedes the actual starting date of the licensed staff. Management established a corrective action plan which will allow compliance effective FY15; yet for FY14, the school was still in non-compliance.

In addition, we noted 1 of 4 personnel files which lacked evidence of an amended employee contract which increased the contract salary from approximately \$48,000 to \$59,000.

**2014-010 Internal Control Structure (Significant Deficiency) - Resolved**

**Condition:** During our audit, we encountered the following issues:

- During our capital asset testing, we noted approximately \$22,000 in additions to capital assets which did not meet the capitalization threshold and required an audit correction to the schedule.
- The school has a \$100 petty cash account, which is not reflected on the trial balance. In addition, the actual balance of the fund was \$38, with no evidence of formal procedures established to ensure timely replenishments of the funds expended.

**2014-011 Timely Deposit of Cash Receipts (Compliance and Other Matters) - Repeated**

**Condition:** During our review of 10 cash receipts, we noted 4 deposits in the amount of approximately \$136 that were not deposited within 24 hours of receipt as required.

**FRIENDS OF THE MONTESSORI FOUNDATION**

**2013-019 Internal Control Structure (Material Weakness) - Repeated**

**Condition:** During our audit, we noted the following issues:

- The Foundation was unable to provide evidence of purchase orders established in advance of the Foundation's purchases.
- During our review of 4 payroll disbursements, 3 lacked a documented timesheet to support the amount paid.
- The Foundation lacks controls surrounding the cash receipt process to ensure all receipts of the Foundation are actually deposited in the Foundation's bank account. During our review of 13 cash receipts, in the amount of approximately \$50,250, we noted the following:
  - 4 receipts, in the amount of approximately \$8,500, which lacked a deposit slip, copies of the receipts, or a receipt log.
  - 1 receipt that totaled \$12,180, yet the deposit slip totaled \$12,240, with no documentation of the discrepancy.

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**FRIENDS OF THE MONTESSORI FOUNDATION (CONTINUED) - Repeated**

- During the audit, it was noted that a receivable in the amount of \$2,000 from the PTA had not been accrued in the financial statements of the Foundation.

**NATIVE AMERICAN COMMUNITY ACADEMY**

**2013-035 Purchasing (Compliance and Other Matters) - Resolved**

**Condition:** During our review of disbursements we noted the following:

- We noted 11 of 41 disbursements reviewed, totaling approximately \$55,000, in which an approved purchase order was not established prior to the purchase, lacked a purchase order, or the purchase order was not approved.
- We noted that the school lacks policies and procedures surrounding procurement.
- We noted payments on contracts totaling approximately \$179,000 which lacked evidence of a formal procurement process.

**2013-036 Payroll (Compliance and Other Matters) - Resolved**

**Condition:** During our FY13 audit, it was noted that, due to the structure of the school's licensed staff contract, the school is making payroll advances as the contract has a start date that precedes the actual starting date of the licensed staff. Management established a corrective action plan which will allow compliance effective FY15; yet for FY14, the school was still in non-compliance.

**2014-012 Internal Control Structure (Material Weakness) - Repeated**

**Condition:** During our audit, we encountered the following issues:

- During our search for unrecorded liabilities, we identified approximately \$275,000 in liabilities that should have been identified as liabilities as of June 30, 2014 by management. Of this amount, \$100,000 represents a receipt which was received in a fiduciary capacity and was incorrectly recognized as revenue.
- We noted that management incorrectly recorded approximately \$217,000 in building lease expenses to the HB33 fund, which required an audit adjustment to reclassify these expenses to the operating fund.
- During our test work over capital assets, we identified various leasehold improvements, totaling approximately \$706,000, which were not capitalized as leasehold improvements.
- During our review of cash receipts, we noted an approximately \$600 SB9 receipt which was incorrectly recorded to the HB33 fund.



**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**NUESTROS VALORES CHARTER SCHOOL**

**2013-031 Payroll Advances (Compliance and Other Matters) - Resolved**

**Condition:** During our FY13 audit, it was noted that, due to the structure of the school's licensed staff contract, the school is making payroll advances as the contract has a start date that precedes the actual starting date of the licensed staff. Although the school has implemented a corrective action plan, the school remained in non-compliance for FY14.

**2013-032 Internal Controls Surrounding Capital Asset Management and Reporting (Material Weakness) - Repeated**

**Condition:** During our test work over capital assets, we noted the school purchased a modular building and properly capitalized the building; however, the school also incurred approximately \$119,000 of installation costs to put the building into use. These additional installation costs were not properly capitalized by the school. In addition, the school removed assets from the books with a net book value of \$0, with an estimated original cost of \$180k; however, the school was unable to account for the disposal of these assets that were done in a previous fiscal year.

**2014-013 Bank Reconciliation (Compliance and Other Matters) - Resolved**

**Condition:** During our review of the year-end bank reconciliation, we noted an ACH item listed as an outstanding item in the amount of approximately \$1,800; however, this item cleared the bank July 18, 2014 and was not a valid outstanding item against cash.

**2014-014 Timely Deposit of Cash Receipts (Compliance and Other Matters) - Repeated**

**Condition:** During our review of 11 cash receipts, we noted 2 deposits in the amount of approximately \$93,000 that were not deposited within 24 hours of receipt as required.

**2014-015 ERB Contributions (Compliance and Other Matters) - Resolved**

**Condition:** During our review of the monthly ERB contributions, we noted one month which was not filed in a timely manner and one month which included a late submission penalty.

**PUBLIC ACADEMY FOR PERFORMING ARTS**

**2014-016 Purchasing (Compliance and Other Matters) - Resolved**

**Condition:** During our review of 28 disbursements, we noted 2 disbursements which lacked an approved purchase order or documentation of approval prior to the purchase.

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**PUBLIC ACADEMY FOR PERFORMING ARTS (CONTINUED)**

**2014-017 Bank Reconciliation (Compliance and Other Matters) - Repeated**

**Condition:** During our review of the year-end bank reconciliation, we noted an ACH item listed as an outstanding item in the amount of approximately \$4,300; however, this item cleared the bank July 17, 2014 and was not a valid outstanding item against cash. In addition, the signed copy of the bank reconciliation incorrectly assigned a check number to this item.

**ROBERT F. KENNEDY CHARTER SCHOOL**

**FS 09-176 Cash Receipts (Significant Deficiency) - Resolved**

**Condition:** During our review of cash receipts, we noted the following:

- 3 out of 10 cash receipts totaling \$319 were not deposited within 24 hours of receipt as required.
- We noted 1 lunch reimbursement for the month of September in which the school used the August lunch count to claim for the month of September, which resulted in a lower claim than what the school was eligible for.

**2013-041 Budgetary Conditions (Compliance and Other Matters) - Resolved**

**Condition:** The School has expenditure functions where actual expenditures exceeded budgetary authority:

Fund 11000 – Instruction - \$5,565  
Fund 11000 – Support Services - \$8,727  
Fund 24101 – Support Services - \$7,523  
Fund 31600 – Support Services - \$1,133  
Fund 31700 – Capital Outlay - \$2,198

**2014-018 Purchasing (Compliance and Other Matters) - Repeated**

**Condition:** We noted 7 of 30 disbursements tested, totaling \$80,016, which lacked an approved purchase order or purchase requisition prior to the purchase of goods or services.

**2014-019 941 Reporting (Compliance and Other Matters) - Resolved**

**Condition:** During our review of the school's 941 filings, we noted that the FICA tax reported by the school for the period ending March 31, 2014 was reported at \$39,588 instead of \$47,201, in which the difference was captured as an adjustment for rounding error. This was a result of inaccurate FICA percentages utilized in the APTA accounting system.

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**ROBERT F. KENNEDY CHARTER SCHOOL (CONTINUED)**

**2014-020 Internal Controls over Paid Time Off Leave Balances (Compliance and Other Matters) - Resolved**

**Condition:** During our audit, it was noted that an employee is able to use PTO leave balance in excess of their accumulated leave balance. In one instance, an employee no longer employed by the school had a deficit balance of 22.75 hours. It was also noted that a teacher was accruing PTO at the rate of administrative personnel instead of the rate for a teacher.

**THE BATAAN MILITARY ACADEMY**

**FS 09-197 Internal Controls over Disbursements/Procurement (Compliance and Other Matters) - Resolved**

**Condition:** During our audit, we noted the following related to disbursements/procurement:

- We noted 3 of 19 disbursements, totaling \$25,326, in which the purchases exceeded the purchase order amount by \$812 or lacked an approved purchase order.

**2014-022 Untimely Deposit of Cash Receipts (Compliance and Other Matters) - Resolved**

**Condition:** During our review, we noted that 2 out of 10 cash receipts, totaling \$372, were not deposited within 24 hours of receipt as required.

**2014-023 Cash Control Standards (Compliance and Other Matters) - Resolved**

**Condition:** During our audit, we noted outstanding items in the June 30, 2014 bank reconciliation that included one deposit totaling \$114 that was dated January 27, 2014; yet this outstanding item was never questioned during the monthly bank reconciliation review process.

**2014-024 Travel and Per Diem (Compliance and Other Matters) - Resolved**

**Condition:** During our review of 2 travel and per diem related disbursements, we noted one, in the amount of \$2,606, which lacked documentation of a pre-approval of the related travel or documentation of the purpose of the travel. Furthermore, school personnel were unable to recall the nature or purpose of the travel.

**2014-025 Internal Control Structure (Significant Deficiency) - Resolved**

**Condition:** During our audit, we encountered the following issues:

- During our journal entry review, we noted 3 out of 5 journal entries which lacked evidence of review by someone independent of the preparer, as well as appropriate supporting documentation.
- The fund balance roll forward required a \$1,105 adjustment due to an unidentified difference.

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**APS FOUNDATION**

**2014-026 Internal Control Structure (Material Weakness) - Resolved**

**Condition:** During our audit we encountered the following issues:

- During our search for unrecorded liabilities, we identified approximately \$78,000 that should have been identified by management as liabilities and recognized as expenses as of June 30, 2014.
- During our search for unrecorded liabilities, we noted that the Foundation does not record any year-end accruals.
- During our search for unrecorded liabilities, we noted two of the twelve disbursements sampled did not have adequate supporting documentation.
- During testing of credit cards, we noted no evidence of review of credit card statements.
- During test of design of controls, we noted there is no process to track or adjust beneficial remainder trust amounts.

**2014-027 Revenue and Expense Recognition (Material Weakness) - Resolved**

**Condition:** During audit test work over contribution revenue and award expenses, we identified a year-end reclassification adjustment of approximately \$1.9m in revenue and award expenses that erroneously double-recorded both revenues and expenses equally.

**2014-028 Journal Entries (Significant Deficiency) - Resolved**

**Condition:** During audit test work over journal entries, we noted that 8 of the 8 entries selected did not have supporting documentation, 4 of the 8 entries selected did not have proof of review, and 2 of the 8 entries had a journal entry number that was associated with two separate entries in the general ledger.

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
June 30, 2015**

**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**ALBUQUERQUE PUBLIC SCHOOLS**

**2015-005 (original finding #2012-001) Allowable Activities/Costs - Payroll (Significant Deficiency, Instance of Noncompliance) - Repeated**

**Federal Programs:** Title I, Part A Cluster (CFDA # 84.010), IDEA – B Cluster (CFDA# 84.027)

**Federal Agency:** Department of Education

**Federal Award Year:** 2013

**Pass through Agency:** New Mexico Public Education Department

**Award Number:** Title I (S010A130031), IDEA – B (H027A130153-13A)

**Questioned Costs:** \$11,965

**Condition:** During our single audit test work over allowable activities/costs for payroll disbursements, we noted the following issues:

- The District was unable to provide a time and effort certification for 1 out of 40 payroll disbursements tested. (IDEA – B Cluster CFDA# 84.027)
- When reviewing 40 payroll disbursements, we noted one employee being paid at the incorrect hourly rate for the period of FY2009 – FY2014. The total overpayment approximates \$60,140 (\$11,965 during FY14). The overpayment was a result of a record analyst entering the incorrect pay rate when the employee was hired during FY08-09. The employee's pay rate was corrected in June of 2014 by APS after it was detected by a record analyst. (Title I, Part A Cluster (CFDA # 84.010)

**2014-003 Monitoring of Funds Allocated to Eligible School Attendance Areas (Significant Deficiency, Instance of Noncompliance) - Resolved**

**Compliance Requirement:** Eligibility

**Federal Program:** Title I, Part A (CFDA # 84.010)

**Federal Agency:** Department of Education

**Federal Award Year:** 2013

**Pass through Agency:** New Mexico Public Education Department

**Award Number:** Title I (S010A130031)

**Questioned Costs:** \$0

**Condition:** During the single audit testwork over Title I, Part A grant requirements, we reviewed 18 schools which were allocated funds. Of the 18 schools reviewed, we noted one which exceeded the funds allocated to the school by \$2,939. In addition, we reviewed the report for all schools that were allocated funds and noted that a total of 11 of the 130 schools exceeded their allocation by approximately \$46,000.

**STATE OF NEW MEXICO**  
**ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12**  
**EXIT CONFERENCES**  
**June 30, 2015**

**EXIT CONFERENCES**

The following details the exit conferences held for the District and each respective component unit, which includes the date and attendance of each exit conference. In addition, each exit conference was held in a closed meeting to preserve the confidentiality of the audit information prior to the official release of the financial statements by the State Auditor.

**ALBUQUERQUE PUBLIC SCHOOLS**

The following individuals were in attendance on October 30, 2015:

Dr. Donald Duran, Board President  
Analee Maestas, Board Vice President, Audit Committee Chair  
Dr. David Peercy, Board Member  
Lorenzo Garcia, Board Member  
Peggy Muller-Aragon, Board Member  
Barbara Petersen, Board Member  
Steven Michael Quezada, Board Member  
Lisa Childress, Audit Committee Community Member  
Michael Reeves, Audit Committee Community Member  
Raquel Reedy, Acting Superintendent  
Michael Erwin, Senior Director of Capital Fiscal Services  
Rennette Apodaca, Executive Director of Procurement  
Teresa Scott, Executive Director of Grant Management  
Ruben Hendrickson, Chief Operations Officer  
Brenda Yager, Executive Director of Board of Education Services  
Tami J. Coleman, Executive Director of Accounting and Interim CFO  
Peg Koshmider, Senior Director of Internal Audit  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Kimberly Clay, CPA, Assurance Manager, CliftonLarsonAllen LLP  
Cammie Archuleta, Assurance Senior Associate, CliftonLarsonAllen LLP

**21<sup>ST</sup> CENTURY PUBLIC ACADEMY**

The following individuals were in attendance on September 30, 2015:

Mary Tarango, Principal  
Rita Hirsch, Chief Operating Office  
Michael Vigil, Business Manager  
John Everette, Member, Governing Council  
Judy Bergs, Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Elizabeth Nunez, In Charge Associate, CliftonLarsonAllen LLP

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
EXIT CONFERENCES  
June 30, 2015**

**ALBUQUERQUE CHARTER ACADEMY**

The following individuals were in attendance on September 28, 2015:

Erik Bose, Executive Director  
John Rodarte, Member, Governing Council  
Jacob Kennedy, Member, Audit/Governing Council  
Curt Szarek, Business Manager  
Judy Bergs, Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP

**ALBUQUERQUE TALENT DEVELOPMENT ACADEMY**

The following individuals were in attendance on September 30, 2015:

Rommie Compher, Principal  
Maureen Senetra, Vice-President, Governing Council  
Carl R. Stenger IV, Community Representative  
Chandra McCray, Business Manager  
Whitney Galindo, Business Manager  
Judy Bergs, Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Elizabeth Nunez, In Charge Associate, CliftonLarsonAllen LLP

**ALICE KING COMMUNITY SCHOOL**

The following individuals were in attendance on September 28, 2015:

Tamara Henderson, Executive Director, Principal  
Rhonda Cordova, Business Manager  
Jason Kugler, Audit Committee Chair  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**CHRISTINE DUNCAN HERITAGE ACADEMY**

The following individuals were in attendance on September 28, 2015:

Jesus A. Moncada, Principal  
Yolanda Tafoya, Business Manager  
Ben Maes, President, Governing Council  
Louis Lafrado, Member, Governing Council  
Chris Parrino, Member, Audit Committee  
Monica Hernandez, Parent  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
EXIT CONFERENCES  
June 30, 2015**

**CORRALES INTERNATIONAL CHARTER SCHOOL**

The following individuals were in attendance on September 28, 2015:

Rebekah Runyan, Business Manager  
Tara Armijo-Prewitt, Assistant Head of School  
Rhonda Ledbetter, Treasurer  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP

**DIGITAL ARTS & TECHNOLOGY**

The following individuals were in attendance on September 30:

Evelyn Hunemuller, CEO  
Al Sanchez, President, Governing Council  
Michael Vigil, The Vigil Group, Business Manager  
Lynette Quintana, Assistant Business Manager  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Elizabeth Nunez, In Charge Associate, CliftonLarsonAllen LLP

**EL CAMINO REAL ACADEMY**

The following individuals were in attendance on September 28, 2015:

Paym Greene, Principal (via telephone)  
Mary Scofield, Business Manager  
Rachel Query, Treasurer/Audit Committee  
Jim Nettle, Board Member  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**GORDON BERNELL CHARTER SCHOOL**

The following individuals were in attendance on September 28, 2015:

Kimberlee K. Pena-Hanson, Director  
Kristalyn Loftis, Business Manager  
Chandra McCray, Financial Representative  
Erik Bose, Member, Governing Council  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP



**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
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**LA ACADEMIA DE ESPERANZA**

The following individuals were in attendance on September 30, 2015:

Steve Wood, Principal  
Jama Sullivan, Business Manager  
Lee L. Farris, Board Member  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Elizabeth Nunez, In Charge Associate, CliftonLarsonAllen LLP

**LOS PUENTES CHARTER SCHOOL**

The following individuals were in attendance on September 28, 2015:

Micaela N. Smith, Principal  
Patricia Garrett, Business Manager  
Nancy Jo Archer, Board President  
Chandra McCray, Financial Representative  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP

**LOS PUENTES EDUCATIONAL FOUNDATION**

The exit conference was conducted by telephone on October 21, 2015, with the following individuals participating:

Larry Mirabal, Board Treasurer  
Pat Kelly, Foundation Bookkeeper  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP

**MONTESORI OF THE RIO GRANDE**

The following individuals were in attendance on September 28, 2015:

Ryan Hieronymous, Treasurer  
Chris Parrino, Business Manager  
Lee Baldwin, Parent Member, Finance Audit Committee  
Ellen Bayard, Member, MRGC Council & Finance  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
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**FRIENDS OF THE MONTESSORI FOUNDATION**

The following individuals were in attendance on September 28, 2015:

Michael Maestas, Foundation President  
Erica Pena, Executive Assistant  
Ryan Hieronymous, Treasurer  
Chris Parrino, MRGC Business Manager  
Lee Baldwin, Parent Member, Finance Audit Committee  
Ellen Bayard, Member, MRGC Council & Finance  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**MOUNTAIN MAHOGANY COMMUNITY SCHOOL**

The following individuals were in attendance on September 28, 2015:

Baylor Del Rosario, Administrator  
Mary Scofield, Business Manager  
Robert Hallett, Member, Governing Council  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**NATIVE AMERICAN COMMUNITY ACADEMY**

The following individuals were in attendance on October 30, 2015:

Kara Bobroff, Executive Director/Principal  
Anpao Duta Flying Earth, Head of School  
Heidi M. Kie, Business Support Specialist  
Carmen Cavnar, Director of Finance  
Francilla Whiteskunk, Member, Audit Committee Member (via telephone)  
Justin Solimon, Member, Audit Committee, Governing Council  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP

**NATIVE AMERICAN COMMUNITY ACADEMY FOUNDATION**

The following individuals were in attendance on October 30, 2015:

Kara Bobroff, Executive Director/Principal  
Anpao Duta Flying Earth, Head of School  
Heidi M. Kie, Business Support Specialist  
Carmen Cavnar, Director of Finance  
Justin Solimon, Member, Audit Committee, Governing Council  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP

**STATE OF NEW MEXICO**  
**ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12**  
**EXIT CONFERENCES**  
**June 30, 2015**

**NUESTROS VALORES CHARTER SCHOOL**

The following individuals were in attendance on September 28, 2015:

Monica Aguilar, Executive Director  
Rhonda Cordova, Business Manager  
Charlotte Alderete Trujillo, Board Member/Audit Committee  
Lawrence Chavez, Member, Audit Committee  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**PUBLIC ACADEMY FOR PERFORMING ARTS**

The following individuals were in attendance on September 28, 2015:

Doreen Winn, Executive Director  
Melanie Chavez, Assistant Director  
Rhonda Cordova, Business Manager  
Mark Padilla, President, Governing Council  
Mark Hunzinger, Member, Governing Council  
Adam Ciepiela, Member, Governing Council  
Ruby Arispe, Member, Governing Council  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Victor Kraft, CPA, In Charge Associate, CliftonLarsonAllen LLP

**ROBERT F. KENNEDY CHARTER SCHOOL**

The following individuals were in attendance on September 30, 2015:

Robert D. Baade, Director  
Jennifer Cornish, President, Governing Council  
Stacey Lagunas, Business Specialist - APS  
Judy Bergs, APS Charter School Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Elizabeth Nunez, In Charge Associate, CliftonLarsonAllen LLP

**SOUTH VALLEY ACADEMY**

The following individuals were in attendance on September 30, 2015:

Julie A Radoslovich, Principal/Director  
Heidi Gomez, Business Manager  
Sasha Pellerin, President – Governing Council  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Elizabeth Nunez, In Charge Associate, CliftonLarsonAllen LLP

**STATE OF NEW MEXICO  
ALBUQUERQUE MUNICIPAL SCHOOL DISTRICT NO. 12  
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**THE BATAAN MILITARY ACADEMY**

The following individuals were in attendance on September 30, 2015:

Jan Zink, Director/Principal  
Ruby Chavez, Business Manager  
Allan Holmquist, President, Governing Council  
Judy Bergs, APS Charter School Business Manager  
Matt Bone, CPA, CGFM, Assurance Principal, CliftonLarsonAllen LLP  
Elizabeth Nunez, In Charge Associate, CliftonLarsonAllen LLP

**ALBUQUERQUE PUBLIC SCHOOLS FOUNDATION**

The following individuals were in attendance on October 13, 2015:

Phill Casaus, Executive Director  
Tony Dees, Board Member, Treasurer  
J.J. Griego, Board Member  
Jeff Lunsford, Board Member, President  
Roberta Valasquez, Resource Specialist  
Cheryl Burgmaier, CPA, Burgmaier and Associates  
Jennifer Putnam, CPA, Director, CliftonLarsonAllen, LLP

**PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements for the primary government presented in this report have been prepared by management. The financial statements for the component units presented in this report have been prepared by the independent auditor. However, they are the responsibility of management, as addressed in the Independent Auditor's Report. Management reviewed and approved the financial statements.