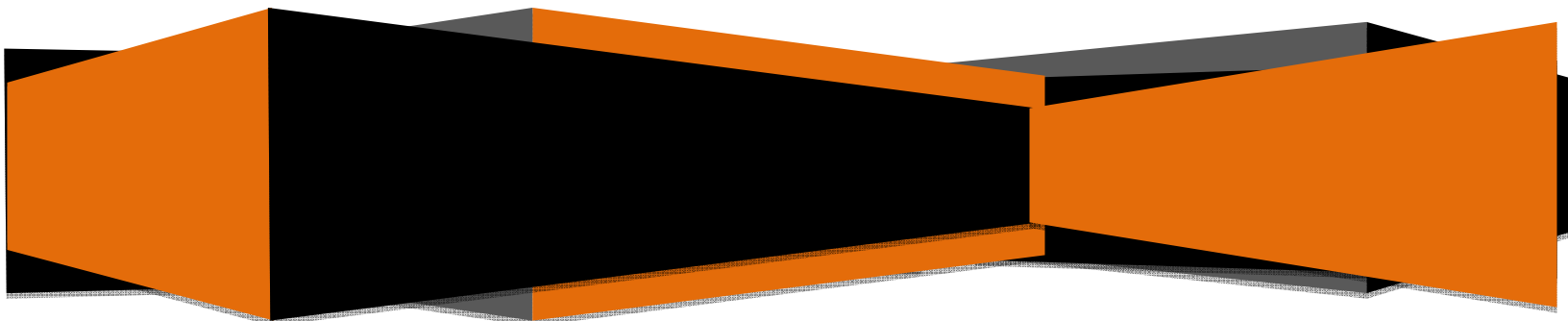


**STATE OF NEW MEXICO
AZTEC MUNICIPAL SCHOOL DISTRICT**



**FINANCIAL STATEMENTS AND REQUIRED SUPPLEMENTAL
INFORMATION WITH ACCOMPANYING
AUDITORS' REPORTS**

FOR THE YEAR ENDED JUNE 30, 2016



STATE OF NEW MEXICO
 Aztec Municipal Schools
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STATE OF NEW MEXICO
Aztec Municipal Schools
Official Roster
June 30, 2016

BOARD OF EDUCATION

Wayne Ritter	President
Roger Collins	Vice President
Jimmy Dusenberry	Secretary
Mitch Waggoner	Member
Ryan Lane	Member

SCHOOL OFFICIALS

Kirk Carpenter	Superintendent
Tania Prokop	Deputy Superintendent
Judy Englehart	Associate Superintendent
Christa Kulidge	Director of Exceptional Programs
Gary Martinez	Director of Finance
Charlie Lee	Director of Maintenance
Shawn Shay	Director of Technology
Grant Banash	Director of Transportation and Operations

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Aztec Municipal Schools
Aztec, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of Aztec Municipal Schools (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, the combining financial statements for the General Fund, and the budgetary comparisons for the major capital projects funds, the major debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Aztec Municipal Schools, as of June 30, 2016, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund and the combining financial statements for general fund of the District as of June 30, 2016, and the respective changes in financial position, thereof, and the respective budgetary comparisons for the major capital projects funds, major debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America requires that the *Management's Discussion and Analysis* on pages 8 through 14 the Schedule of Proportionate Share of Net Pension Liability, Schedule of Contributions and the Notes to the Required Supplementary Information on pages 53 through 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The introductory section, the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and Supporting Schedules I through V required by 2.2.2 NMAC are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory section and Schedule V have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

RPC CPAs + Consultants LLP

RPC CPAs + Consultants, LLP
Albuquerque, NM
November 8, 2016

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Introduction

The financial performance of the Aztec Municipal Schools (the District) for the fiscal year ended June 30, 2016 will be the subject of this discussion and analysis. The intent is to look at the financial performance as a whole; however, readers may also utilize the accompanying financial statements and notes for comprehensive information.

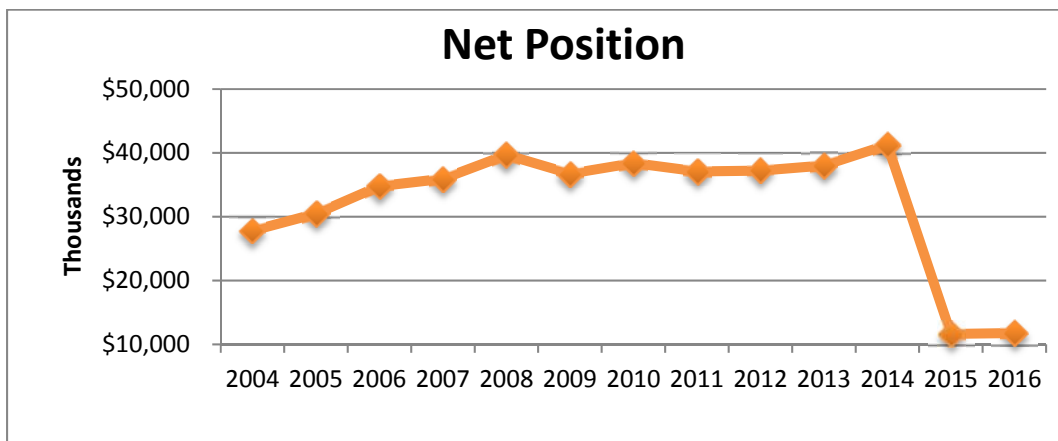
Financial Highlights

Key financial highlights for fiscal year 2016 are as follows:

- During the fiscal year ended June 30, 2016, the District's debt management program produced a tax rate for debt at \$8.39 per thousand dollars of assessed valuation. This rate increased from \$6.68 in the prior year because the oil and natural gas portion of the district's tax base increased. We expect the tax rate will again increase in fiscal year 2016-2017 due to the oil and natural gas portion of the district's tax base decreasing.
- During the fiscal year ended June 30, 2016, the District was required to report a share of the liabilities and expenses of the district's pension plan managed by the Educational Retirement Board. As shown below the inclusion of this information into the District's financial statements significantly impacted the District's net position.

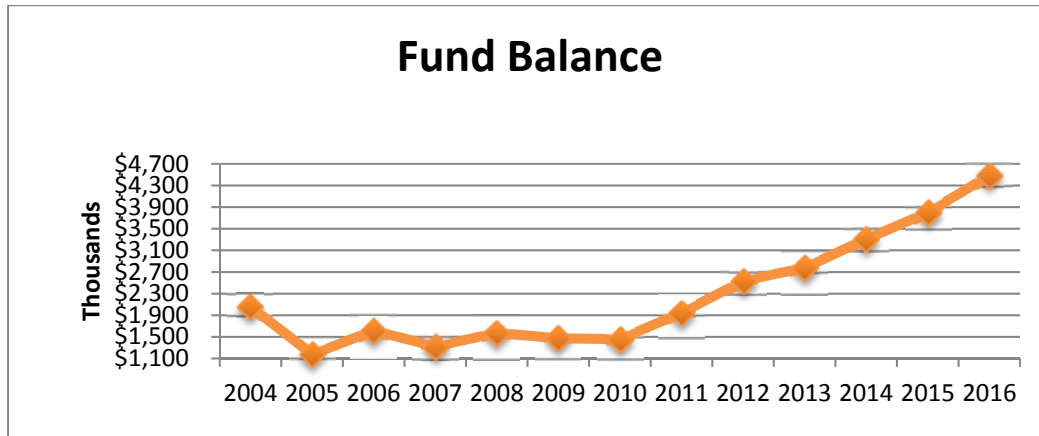


Total assets and deferred outflows was	\$90,740,431
Total liabilities and deferred inflows	\$79,200,707
Net position of Governmental Activities was	\$11,539,724





- General Fund revenues and transfers exceeded expenditures by \$ 531,026 resulting in a year-end fund balance of \$4,483,654 which is 20% of total general fund expenditures.



- Capital assets including real estate and buildings totaled \$122,069,228 with accumulated depreciation of \$ 56,192,849.

Basic Financial Statements

This annual report introduces the District's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The Statement of Net position and Statement of Activities are district-wide (government) information that presents both an aggregate view of the District's finances and a longer-term view of trends. The next level of information is in the fund level financial statements. A fund is an accountability unit used to maintain control over resources for specified activities or objectives. The fund financial statements will look at the District's most significant funds while combining all other non-major funds into a single summary.

Government -Wide Financial Statements

Statement of Net Position and Statements of Activities

These two statements report the District's net position and changes in net position. This change in net position is important because it identifies whether the financial position of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial. Non-financial factors include the District's property tax base, facility conditions, required educational programs, and other factors.

Governmental Activities – All of the District's programs and services are considered governmental and include the instructional program, support services, operation and maintenance of plant, pupil transportation, and activities.

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2016



Statement of Net Position – This is a District-wide statement including all assets and liabilities using an accrual basis of accounting. This basis of accounting, similar to private sector business, includes all of the current year's revenues and expenses regardless of when actual cash was received or paid. Differences between assets and liabilities are reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District as a whole is improving or deteriorating. Last year the New Mexico's Educational Retirement Board allocated to each participating state agency employer a portion of the total liability associated with the educational retirement system. The District's share in the amount of \$34.2 million is included in the long term liabilities reflected below.

Summary of Statement of Net Position

	June 30, 2016	June 30, 2015	June 30, 2014
<u>Assets</u>			
Current assets	\$ 16,136,767	\$ 20,328,248	\$ 10,832,947
Capital assets	122,069,228	118,702,654	117,461,604
Accumulated depreciation	(56,192,849)	(53,046,872)	(50,665,536)
Other noncurrent assets	5,027,980	5,810,809	5,307,851
Total assets	\$ 87,041,126	\$ 91,794,839	\$ 82,936,866
Total deferred outflows	\$ 3,699,305	\$ 2,087,358	\$ -
Total assets and deferred outflows	\$ 90,740,431	\$ 93,882,197	\$ 82,936,866
<u>Liabilities</u>			
Accounts payable	\$ 825,102	\$ 773,417	\$ 963,204
Accrued interest	292,603	397,203	312,359
Other current liabilities	4,463,846	5,141,991	4,427,452
Long-term liabilities	72,256,282	71,919,713	36,275,315
Total liabilities	\$ 77,837,833	\$ 78,232,324	\$ 41,978,330
Total deferred inflows	\$ 1,362,874	\$ 4,008,516	\$ -
Total liabilities and deferred inflows	\$ 79,200,707	\$ 82,240,840	\$ 41,978,330
<u>Net Position</u>			
Invested in capital assets	\$ 28,777,666	\$ 27,553,089	\$ 26,324,668
Restricted: Debt service	5,194,238	5,882,849	5,742,340
Restricted: Capital projects	4,335,244	5,020,027	4,973,864
Restricted: Other Purpose	922,583	898,868	901,493
Unrestricted	(27,690,007)	(27,713,477)	3,016,171
Total net position	\$ 11,539,724	\$ 11,641,357	\$ 40,958,536

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2016



Statement of Activities – This statement reports how the District's net position changed during the fiscal year. This report compliments the Statement of Net Position by being designed to show the financial reliance on various sources of revenue used for the functions or activities provided by the District.

Summary of Statement of Activities

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<u>Revenues</u>			
Program Revenues:	-		
Charges for Services	733,502	608,861	493,983
Operating Grants	4,701,414	5,343,783	5,478,186
Capital Grants	113,927	67,376	91,006
General Revenues:			
Property Taxes	4,201,719	3,188,393	4,162,800
Federal and State Aid	21,293,621	21,543,210	20,534,409
Other	<u>2,165,598</u>	<u>3,878,045</u>	<u>3,741,471</u>
Total Revenues	<u>33,209,781</u>	<u>34,629,668</u>	<u>34,501,855</u>
<u>Expenses</u>			
Instruction	19,819,119	18,726,453	18,031,554
Support Services	11,597,200	10,827,684	10,536,132
Food Services	1,337,682	1,350,350	1,381,939
Community Services	2,563	1,350,350	1,381,939
Interest on long term debt	<u>554,850</u>	<u>1,198,900</u>	<u>1,258,773</u>
Total Expenses	<u>33,311,414</u>	<u>33,453,737</u>	<u>32,590,337</u>
Prior Year Restatement	-	(31,843,461)	
Change in net position	<u>(101,633)</u>	<u>(29,317,179)</u>	<u>1,911,518</u>

Fund Financial Statements

The District uses funds to ensure and demonstrate compliance with finance-related laws and regulations. The District uses many funds to account for a multitude of various transactions. Within the basic financial statements, fund financial statements focus only on the District's most significant funds rather than the District as a whole. Major funds are separately reported while all others are combined; individual non-fund data are presented in later sections of this report. The District's major governmental funds, as defined in GASB 34, are the General Fund, IDEA B, Bond Building, Capital Improvement SB-9, and Debt Service Fund.

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2016



Governmental Funds

Governmental funds encompass most of the District's activities and are reported in fund financial statements. These statements focus on short-term periods on how resources flow into and out of those funds and the resources available at the end of the fiscal period. These funds are reported in the modified accrual accounting method that recognizes cash and any other financial assets that can be readily converted. Governmental fund statements and government-wide reporting focus on two different perspectives, short-term and long-term impact, thus the relationship or differences can be understood by reconciling the two different financial statements.

Governmental Activities

This statement of activity reports the cost of program services, the charges of services, and the revenues that are received to perform these services. The Statement of Activities for governmental activities reports the total cost of services and the net cost of services.

It becomes apparent that dependence upon revenues from the State of New Mexico for governmental activities is significant. The New Mexico Legislature and the operation of the State Equalization Guarantee (SEG) Formula for operational funding by the New Mexico Department of Education have minimized local tax support for public education. This fund pays for teaching staff, instructional support staff, administrative staff and maintenance staff. This represents 98% of the total operating budget from the State of New Mexico through the SEG.

The state of New Mexico, through the Public Education Department, establishes annually a "Unit Value" that is used, along with student membership and the SEG formula factors, to determine the amount of state support to be received by individual districts. Although the Unit Value had been on an upward trend over the past few years, recent declines in oil and gas revenues statewide has resulted in serious budgetary concerns at the state level. Over the next few years the District anticipates a decline in the Unit Value resulting a reduction in state funding.

General Fund Budgeting Highlights

The State of New Mexico school budget process is defined in the New Mexico Statutes (Section 22) and the New Mexico Administrative Code (Section 6). Specific items are further defined in the New Mexico Manual of Procedures for Public School Accounting and Budgeting. The District follows an internal process of budgeting by recognizing the Educational Plan for Student Success and the priorities defined. District management and the Board of Education utilize a continuous improvement model for student success and district improvement.

The General Fund is the most significant budgeted fund; other major funds, are the IDEA B, Bond, Capital Improvement SB-9, and Debt Service Funds.

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2016



Below is the summarized budget basis financial report for the General Fund as of June 30, 2016.

General Fund			
Statement of Revenues, Expenditures, and Changes in Fund Balance			
Budget and Actual (Non-GAAP Budgetary Basis)			
For the Year Ended June 30, 2016			
	Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable) Final to Actual
Revenues:			
Federal sources	\$ 84,000	\$ 104,407	\$ 20,407
State sources	22,393,017	22,468,907	75,890
Local sources	387,138	348,178	(38,960)
Total revenue	22,864,155	22,921,492	57,337
Expenditures			
Instruction	15,913,857	13,275,280	2,638,577
Support services	10,550,702	9,221,772	1,328,930
Other	-	-	-
Total expenditures	26,464,559	22,497,052	3,967,507
Net change		\$ 424,440	
Beginning fund balance		3,990,659	
Ending fund balance		\$ 4,415,099	

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2016 the District had \$122,069,228 invested in capitalized assets and had accumulated depreciation of \$56,192,849. A systematic process is in place that adds newly acquired capital assets, deletes capital assets that are disposed of and requires local school sites to verify possession of capital assets at individual locations. During the fiscal year the major additions included the acquisition of several new buses and major additions to computer network infrastructure.

Long -Term Debt

The District may incur general obligation debt under the terms of Article IX, Section 11 of the New Mexico Constitution. The issuance of such general obligation debt is dependent upon local voter approval and is limited to 6% of the assessed valuation of taxable property within the District. As of June 30, 2016, the District had outstanding general obligation bonds in the amount of \$41,025,000. The District is bonded to 84.34% of its legal limit of \$48,644,024 based on property taxable value of \$810,733,736.

The District completed and approved a five (5) year Facilities Master Plan (FMP) in September, 2011. This plan is compliant with the Public School Facilities Authority guidelines and serves as a working document for future facility needs within the District. The District will be updating facility improvement priorities in fiscal year 2016-2017.

State of New Mexico
Aztec Municipal Schools
Management's Discussion and Analysis
For the Year Ended June 30, 2016



In May, 2013, the voters approved to extend the existing 2-mil property tax levy which provides funding for the ongoing maintenance and repair of District facilities. To avoid a mill levy increase for residential tax payers, the mill was reduced from 2.00 to 1.886.

The District plans no immediate growth related projects based upon current enrollment projections. In February 2012, voters authorized the issuance of \$17 million in bonds to support the technological and facility needs of the district. In January 2015, the District sold \$11 million dollars' worth of these bonds. The authority to sell the remaining \$6 million dollars' of these bonds lapsed in February 2016. The District does not plan to request voter approval to issue bonds in fiscal year 2016-2017.

Future Outlook and Budget

The District is committed to openness and transparency and focuses on performance based budgeting, which means the District will find what works, using the budget to drive improved student performance. Performance based budgeting is going to be a key framework for how we drive the dollars to the programs and practices that are valued and needed to improve outcomes for all children. The District will tie budget investments to expected performance outcomes and in doing so outcomes will drive budgetary decision rather than the budget dictating programming. The performance based budget will allow the District to ensure that budget investments are well-aligned and articulated with clear lines of accountability.

To improve student learning for all students and staff, the District is fully engaged in Professional Learning Communities (PLC), adopting the Common Core State Standards, while implementing a new teacher evaluation program for the state. As the District moves forward, it is vital that the financial position of the District remain strong not only to support the functions of the District but to ensure the District can take advantage of every opportunity to improve learning for all students and staff. Future financial stability is not without its challenges.

Contacting the District

This financial report is designed to provide the reader, citizens, taxpayers, investors and other patrons with a general overview of the Aztec Municipal Schools financial condition and to provide accountability for the funds the District receives. Questions about this financial report or the operations of the district may be directed to:

Kirk Carpenter
Superintendent
Aztec Municipal Schools
1118 W. Aztec Blvd
Aztec, NM 87410
adcarpki@aztec.k12.nm.us

Gary Martinez
Director of Finance
Aztec Municipal Schools
1118 W. Aztec Blvd
Aztec, NM 87410
admartga@aztec.k12.nm.us

Other District information may be accessed at:

www.aztecschools.com

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO

Aztec Municipal Schools

Statement of Net Position

As of June 30, 2016

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u>
Assets		
Current assets:		
Cash	\$ 9,497,132	\$ 441,203
Investments	5,000,000	-
Receivables		
Property taxes receivable	411,691	4,029
Other taxes receivable	174,068	1,735
Due from other governments	919,798	71,935
Due from others	116,746	2,192
Inventory	17,332	-
Total current assets	<u>16,136,767</u>	<u>521,094</u>
Non-Current Assets:		
Restricted assets		
Cash	5,027,980	-
Capital assets	122,069,228	354,802
Less: accumulated depreciation	(56,192,849)	(172,106)
Total non-current assets	<u>70,904,359</u>	<u>182,696</u>
Total assets	<u>87,041,126</u>	<u>\$ 703,790</u>
Deferred outflows of resources		
Pension - change in proportion	471,304	14,940
Pension - change in assumptions	1,177,789	65,099
Pension - employer contributions after measurement date	2,050,212	119,992
Total Deferred Outflows	<u>3,699,305</u>	<u>200,031</u>
Total assets and deferred outflows	<u>\$ 90,740,431</u>	<u>903,821</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued salaries and benefits	\$ 825,102	\$ 42,531
Accrued interest	292,603	-
Current portion of compensated absences payable	55,694	-
Current bond underwriter premiums	83,152	-
Current portion of long-term obligations	4,325,000	-
Total current liabilities	<u>5,581,551</u>	<u>42,531</u>
Long-term liabilities:		
Non-current portion of compensated absences payable	222,777	-
Non-current portion of bond underwriter premiums (net of accumulated amortization of \$1,606,838)	1,090,781	-
Non-current portion of long-term obligations	36,700,000	-
Net pension liability	34,242,724	1,892,648
Total long-term liabilities	<u>72,256,282</u>	<u>1,892,648</u>
Total liabilities	<u>77,837,833</u>	<u>1,935,179</u>
Deferred inflows		
Pension - change in proportion	573,911	-
Pension - actuarial experience	634,828	35,088
Pension - net investment experience	154,135	8,519
Total deferred inflows	<u>1,362,874</u>	<u>43,607</u>
Net Position		
Net investment in capital assets	28,777,666	182,696
Restricted for :		
Special revenue	922,583	24,538
Debt service	5,194,238	-
Capital projects	4,335,244	155,994
Unrestricted	(27,690,007)	(1,438,193)
Total net position	<u>11,539,724</u>	<u>(1,074,965)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 90,740,431</u>	<u>\$ 903,821</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
Primary Government						
Governmental activities:					Governmental Activities	Charter School
Instruction	\$ 19,819,119	\$ 370,560	\$ 1,495,726	\$ 113,927	\$ (17,838,906)	\$ -
Support services - students	2,290,020	-	264,862	-	(2,025,158)	-
Support services - instruction	539,011	-	184,555	-	(354,456)	-
Support services - general administration	400,117	-	85,668	-	(314,449)	-
Support services - school administration	2,201,871	-	314,018	-	(1,887,853)	-
Central services	1,135,643	-	203,299	-	(932,344)	-
Operations and maintenance of plant	3,514,089	-	-	-	(3,514,089)	-
Student transportation	1,514,423	-	1,087,418	-	(427,005)	-
Other support services	2,026	-	-	-	(2,026)	-
Food services	1,337,682	362,942	1,065,868	-	91,128	-
Community Services	2,563	-	-	-	(2,563)	-
Interest on long-term obligations	554,850	-	-	-	(554,850)	-
Total Governmental activities	\$ 33,311,414	\$ 733,502	\$ 4,701,414	\$ 113,927	(27,762,571)	
Component Unit Activities:						
Charter school	\$ 1,665,541	\$ 2,194	\$ 127,709	\$ 119,766		(1,415,872)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes					135,858	-
Property taxes, levied for debt service					3,357,786	-
Property taxes, levied for capital projects					708,075	41,426
Oil and gas taxes					2,089,136	86,653
State equalization guarantee					21,293,621	1,316,721
Interest and investment income					53,146	-
Miscellaneous income					23,316	2,479
Total general revenues					27,660,938	1,447,279
Change in net position					(101,633)	31,407
Net position - beginning of year					11,641,357	(1,106,372)
Net position - end of year					\$ 11,539,724	\$ (1,074,965)

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Balance Sheet - Governmental Funds
As of June 30, 2016

	<u>Total General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS							
Assets:							
Cash	\$ 2,287,823	\$ -	\$ 4,130,015	\$ 2,197,912	\$ 5,027,980	\$ 881,382	\$ 14,525,112
Investments	2,000,000	-	1,000,000	2,000,000	-	-	5,000,000
Property taxes receivable	14,295	-	-	74,073	323,323	-	411,691
Other taxes receivable	8,053	-	-	30,477	135,538	-	174,068
Due from grantor	-	340,749	-	68,364	-	510,685	919,798
Due from other funds	724,317	-	-	-	-	-	724,317
Other receivable	111,979	-	-	4,767	-	-	116,746
Inventory	-	-	-	-	-	17,332	17,332
Total assets	<u>\$ 5,146,467</u>	<u>\$ 340,749</u>	<u>\$ 5,130,015</u>	<u>\$ 4,375,593</u>	<u>\$ 5,486,841</u>	<u>\$ 1,409,399</u>	<u>\$ 21,889,064</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 51,759	\$ 305	\$ 29,795	\$ 40,349	\$ -	\$ 10,506	\$ 132,714
Accrued salaries and benefits	599,951	49,047	-	-	-	43,390	692,388
Accrued compensated absences	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	295,075	-	-	-	429,242	724,317
Total liabilities	<u>651,710</u>	<u>344,427</u>	<u>29,795</u>	<u>40,349</u>	<u>-</u>	<u>483,138</u>	<u>1,549,419</u>
Deferred inflows of resources							
Unavailable Revenue	<u>11,103</u>	<u>-</u>	<u>-</u>	<u>56,718</u>	<u>246,394</u>	<u>-</u>	<u>314,215</u>
Total deferred inflows of resources	<u>11,103</u>	<u>-</u>	<u>-</u>	<u>56,718</u>	<u>246,394</u>	<u>-</u>	<u>314,215</u>
Fund balances							
Nonspendable							
Inventory	-	-	-	-	-	17,332	17,332
Spendable							
Restricted for:							
Education	294,255	-	-	-	-	161,053	455,308
Food service operations	-	-	-	-	-	532,319	532,319
Capital acquisitions and improvements	-	-	5,100,220	4,278,526	-	-	9,378,746
Debt Services	-	-	-	-	5,240,447	-	5,240,447
Committed for:							
Emergency reserves	1,200,000	-	-	-	-	-	1,200,000
Subsequent years expenditures	2,989,399	-	-	-	-	215,821	3,205,220
Unassigned	-	(3,678)	-	-	-	(264)	(3,942)
Total fund balance	<u>4,483,654</u>	<u>(3,678)</u>	<u>5,100,220</u>	<u>4,278,526</u>	<u>5,240,447</u>	<u>926,261</u>	<u>20,025,430</u>
Total liabilities, deferred resources and fund balance	<u>\$ 5,146,467</u>	<u>\$ 340,749</u>	<u>\$ 5,130,015</u>	<u>\$ 4,375,593</u>	<u>\$ 5,486,841</u>	<u>\$ 1,409,399</u>	<u>\$ 21,889,064</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Governmental Funds
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
As of June 30, 2016

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

Total fund balances - governmental funds	\$	20,025,430
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is	122,069,228	
Accumulated depreciation is	<u>(56,192,849)</u>	65,876,379
Contributions to the pension plan are expensed in the government funds but are deferred outflows for the government-wide statements		
		2,050,212
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as unavailable revenues on the balance sheet.		
Delinquent property taxes	314,215	
State revenues	<u>-</u>	314,215
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds		
Deferred inflows of resources related to change in proportion		(573,911)
Deferred inflows of resources related to actuarial experience		(634,828)
Deferred inflows of resources related to investment experience		(154,135)
Deferred outflows of resources related to change in assumptions		1,177,789
Deferred outflows of resources related to change in proportion		471,304
Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:		
Bonds payable		(41,025,000)
Pension Liability		(34,242,724)
Compensated absences		(278,471)
Unamortized bond underwriter premiums		(1,173,933)
Accrued interest payable		<u>(292,603)</u>
Total net position - governmental activities	\$	<u><u>11,539,724</u></u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Year Ended June 30, 2016

	<u>General Fund</u>	<u>Entitlement IDEA-B</u>	<u>Bond Building</u>	<u>Capital Improvements SB-9</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Revenues:							
Federal grants	\$ 104,407	\$ 883,669	\$ -	\$ -	\$ -	\$ 1,837,752	\$ 2,825,828
State grants	22,443,456	-	-	113,927	-	857,095	23,414,478
Local sources:							
Property Taxes	136,444	-	-	708,368	3,333,560	-	4,178,372
Oil and Gas Taxes	105,107	-	-	333,775	1,650,254	-	2,089,136
Local grants	-	-	-	-	-	42,343	42,343
Charges for services	171,020	-	-	-	-	458,075	629,095
Investment income	53,146	-	-	-	-	-	53,146
Miscellaneous	2,464	-	-	-	-	20,852	23,316
Total revenues	<u>23,016,044</u>	<u>883,669</u>	<u>-</u>	<u>1,156,070</u>	<u>4,983,814</u>	<u>3,216,117</u>	<u>33,255,714</u>
Expenditures:							
Current:							
Instruction	13,275,916	454,755	-	-	-	936,123	14,666,794
Support services - students	1,966,000	39,371	-	-	-	262,592	2,267,963
Support services - instruction	337,927	-	-	-	-	184,555	522,482
Support services - general administration	316,640	34,477	-	7,730	-	39,231	398,078
Support services - school administration	1,764,254	209,926	-	-	-	121,815	2,095,995
Central services	922,591	56,230	-	-	-	152,995	1,131,816
Operations and maintenance of plant	2,787,879	-	-	-	-	-	2,787,879
Student transportation	1,111,785	97,112	-	-	-	87,611	1,296,508
Other support services	2,026	-	-	-	-	-	2,026
Food services	-	-	-	-	-	1,329,997	1,329,997
Debt service:							
Other Services	-	-	-	-	1,983	-	1,983
Non-operating	-	-	-	-	33,682	-	33,682
Debt principal	-	-	-	-	4,500,000	-	4,500,000
Debt interest	-	-	-	-	1,265,586	-	1,265,586
Capital outlay	-	-	4,102,155	1,832,830	-	-	5,934,985
Total expenditures	<u>22,485,018</u>	<u>891,871</u>	<u>4,102,155</u>	<u>1,840,560</u>	<u>5,801,251</u>	<u>3,114,919</u>	<u>38,235,774</u>
Net Change in fund balance	531,026	(8,202)	(4,102,155)	(684,490)	(817,437)	101,198	(4,980,060)
Fund balance - beginning of year	3,952,628	4,524	9,202,376	4,963,016	6,057,884	825,064	25,005,492
Adjustments and residual equity transfers	-	-	(1)	-	-	(1)	(2)
Fund balance - beginning of year (adjusted)	3,952,628	4,524	9,202,375	4,963,016	6,057,884	825,063	25,005,490
Fund balance - end of year	<u>\$ 4,483,654</u>	<u>\$ (3,678)</u>	<u>\$ 5,100,220</u>	<u>\$ 4,278,526</u>	<u>\$ 5,240,447</u>	<u>\$ 926,261</u>	<u>\$ 20,025,430</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2016

Total net change in fund balances - governmental funds \$ (4,980,060)

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount by which capital outlays exceeds depreciation for the year.

Depreciation expense	(3,362,265)	
Loss on disposal of capital assets and depreciation adjustments	(15,509)	
Capital outlays	<u>3,598,371</u>	
Excess of capital outlays over depreciation expense		220,597

Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

Allocated pension expense	(2,457,989)	
District pension contributions	<u>2,050,212</u>	
		(407,777)

In the Statement of Activities, certain operating expenses - compensated absences, pension expenses and interest expense - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:

Compensated absences payable	(99,194)	
Accrued interest payable	<u>104,600</u>	
		5,406

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Bond principal payments		4,500,000
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Bonds are refunded when a financial advantage would result to the District. The resulting savings is capitalized as a deferred gain and is amortized over the life of the new bonds. This amortization will be recorded in the Statement of Activities.

Amortization of underwriter premiums		606,136
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Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property Taxes		23,347
Other Receivables		(69,282)

Change in net position of governmental activities		<u>\$ (101,633)</u>
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STATE OF NEW MEXICO
Aztec Municipal Schools
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources:				
Impact Aid	\$ -	\$ -	\$ -	\$ -
Indirect Costs - Federal Direct Grants	1,000	1,000	4,282	3,282
Indirect Costs - Federal Flowthrough Grants	40,000	40,000	53,378	13,378
Fees - Governmental Revenues	43,000	43,000	46,747	3,747
Total Federal Sources	<u>84,000</u>	<u>84,000</u>	<u>104,407</u>	<u>20,407</u>
State Sources:				
State Equalization Guarantee	21,173,240	21,232,470	21,293,621	61,151
Charter School Administration Revenue	20,000	20,000	29,222	9,222
Instructional Materials - Adopted 50%	86,180	108,479	108,480	1
Instructional Materials - Other 50%	86,180	108,480	108,479	(1)
State Flow Through Grant	-	-	-	-
Transportation Distribution	-	903,588	903,588	-
Transportation Distribution - Supplemental	-	-	-	-
Intergovernmental Contract Revenue	20,000	20,000	24,562	4,562
Total State Sources	<u>22,295,769</u>	<u>22,393,017</u>	<u>22,468,907</u>	<u>75,890</u>
Local Sources:				
Ad Valorem Taxes - School District	141,691	141,691	141,798	107
Oil and Gas Taxes	182,996	182,996	105,107	(77,889)
Investment Income	5,000	5,000	26,912	21,912
Fees - Activities	-	-	-	-
Fees - Educational	8,400	8,400	17,801	9,401
Fees - Users	-	-	-	-
Fees - Summer School	-	-	-	-
Royalties	1,800	1,800	212	(1,588)
Rentals	1,800	1,800	3,515	1,715
Contributions from Private Sources	-	-	419	419
Access Board (E-rate)	45,451	45,451	49,950	4,499
Categorical - Instruction	-	-	-	-
Insurance Recoveries	-	-	1,261	1,261
Refunds of Prior Year's Expenditures	-	-	916	916
Sale of District Assets	-	-	287	287
Total Local Sources	<u>387,138</u>	<u>387,138</u>	<u>348,178</u>	<u>(38,960)</u>
Total Revenues	<u>22,766,907</u>	<u>22,864,155</u>	<u>22,921,492</u>	<u>57,337</u>
Expenditures:				
Education, Current:				
Instruction	15,711,197	15,913,857	13,275,280	2,638,577
Support Services - Students	2,131,456	2,131,747	1,972,611	159,136
Support Services - Instruction	309,677	309,677	337,941	(28,264)
Support Services - General Administration	324,737	324,737	323,972	765
Support Services - School Administration	2,901,213	2,902,495	1,764,073	1,138,422
Support Services - Central Services	950,342	950,342	921,097	29,245
Operations and Maintenance of Plant	2,772,610	2,772,610	2,781,229	(8,619)
Student Transportation	1,125,675	1,119,094	1,108,668	10,426
Other Support Services	40,000	40,000	12,181	27,819
Food Services	-	-	-	-
Community Services	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	<u>26,266,907</u>	<u>26,464,559</u>	<u>22,497,052</u>	<u>3,967,507</u>
Revenues Over (Under) Expenditures	\$ (3,500,000)	\$ (3,600,404)	\$ 424,440	\$ 4,024,844
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>3,500,000</u>	<u>3,600,404</u>		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			<u>\$ 424,440</u>	
Fund Balances - beginning of year (adjusted)			<u>3,990,659</u>	
Fund Balances - end of year			<u>\$ 4,415,099</u>	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 424,440	
<i>Accrued Revenues</i>			94,552	
<i>Accrued Expenditures</i>			12,034	
<i>Net change in fund balances (GAAP Basis)</i>			<u>\$ 531,026</u>	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24106 - Entitlement IDEA-B - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	697,132	986,880	939,507	(47,373)
Total Revenues	697,132	986,880	939,507	(47,373)
Expenditures:				
Education, Current:				
Instruction	301,000	524,150	451,352	72,798
Support Services - Students	44,067	44,067	39,121	4,946
Support Services - General Administration	28,304	28,304	34,477	(6,173)
Support Services - School Administration	201,059	221,557	209,926	11,631
Central Services	57,702	57,702	51,706	5,996
Student Transportation	55,000	101,100	97,087	4,013
Community Services	-	-	-	-
Total Expenditures	687,132	976,880	883,669	93,211
Revenues Over (Under) Expenditures	\$ 10,000	\$ 10,000	\$ 55,838	\$ 45,838
Other Financing Sources (Uses)				
Cash budgeted from prior year	(10,000)	(10,000)	-	
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 55,838	
Fund Balances - beginning of year (adjusted)			(396,587)	
Fund Balances - end of year			\$ (340,749)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 55,838	
<i>Accrued Revenues</i>			(55,838)	
<i>Accrued Expenditures</i>			(8,202)	
<i>Net change in fund balances (GAAP Basis)</i>			\$ (8,202)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Statement of Fiduciary Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2016

Assets

Cash	\$ <u>295,429</u>
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Liabilities

Deposits Held for Others	\$ <u>295,429</u>
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NOTES TO FINANCIAL STATEMENTS

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies

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

The school board is authorized to establish policies and regulations for its own government consistent with the laws of the State of New Mexico and the regulations of the Legislative Finance Committee. The School Board is comprised of five members who are elected for terms of four years. The District operates six schools within the District with a total enrollment of approximately 3,200 pupils. In conjunction with the regular educational programs, some of these schools offer special education. In addition, the School District provides transportation and school food services for the students.

The summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management who is responsible for their integrity and objectivity. The financial statements and notes of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB periodically updates its codification of the existing governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for the governmental units.

During the year ended June 30, 2016, the District adopted GASB Statement No. 71, *Fair Value Measurement and Application*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. The provisions of GASB No. 71 provide guidance for determining a fair value measurement for financial reporting purposes to enhance comparability of financial statements among governments. The provisions of GASB No. 76 identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP) which supersedes Statement No. 55. The Provisions of GASB No. 79 address accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. These pronouncements are not expected to have a material effect on the District.

The more significant of the District’s accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39 and GASB Statement No. 61. Blended component units, although legally separate entities, are in substance, part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion in the reporting entity. Based upon the application of these criteria, the District has one component unit and is not a component unit of another government agency.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

Mosaic Academy was established in 2006 under the Charter School Act and serves to provide public education to the community of Aztec, New Mexico. The charter school is deemed to be fiscally dependent upon the District and has been deemed to be a separate legal entity based on state statute and is presented as a discrete component unit.

B. *Government-wide and Fund Financial Statements*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The District does not have any *business-type activities*.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function like the sale of lunch tickets and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function like state and federal grants. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

C. *Measurement focus, basis of accounting, and financial statement presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Property tax receivables are recognized in the period for which the taxes are levied, net of estimated refunds and uncollectible amounts. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the government.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

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

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The majority of revenues are provided by the District's school tax levy, state equalization and transportation funds, state instructional material allocations, and earnings from investments. Expenditures include all costs associated with the daily operations of the school except for those items included in other funds. The General Fund includes the *Transportation Fund*, which is used to account for the state equalization received from the New Mexico Public Education Department which is used to pay for the costs associated with transporting school age children. It also includes the *Instructional Materials Fund*, which is used to account for the monies received from the New Mexico Public Education Department for the purpose of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

Entitlement IDEA-B Special Revenue Fund is used to account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 94-142, 98-199, 99-457, 100, 639, and 101-476, 20 U.S.C. 1411-1420.

Bond Building Capital Projects Fund is used to account for bond proceeds. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

Capital Improvements SB-9 Capital Projects Fund is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

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

Additionally, the government reports the following agency fund:

The *Fiduciary Funds* account for assets held by the District in a trustee capacity or as an agent for student organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

D. *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and net position or Equity*

Deposits and Investments: The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and net position or Equity (continued)*

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the Local Government Investment Pool. The Local Government Investment Pool operates in accordance with applicable state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. As of June 30, 2016, the District has \$5,000,000 in Certificates of Deposits which have been classified as investments.

Restricted Assets: Certain proceeds of the District's revenue bonds and general obligation bonds are classified as restricted assets on the balance sheet because their use is limited by the applicable bond covenants.

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in San Juan County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the County Treasurer in July and August 2016 is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund statements during the year ended June 30, 2016. Period of availability is deemed to be sixty days subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

Inventory: The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer recognition of the expenditures until the period in which the inventories actually are consumed. Inventory in the Food Service Special Revenue Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology equipment including software is being capitalized and included in furniture, fixtures and equipment in accordance with NMAC 2.20.1.9 C (5). The District does not have any infrastructure assets to report.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Library books are deemed to have useful lives of one year and are not capitalized.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and net position or Equity (continued)*

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction. Construction projects paid for by the Public School Capital Outlay Council are included in the District’s capital assets.

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

<u>Assets</u>	<u>Years</u>
Land improvements	20-40
Buildings and improvements	20-40
Furniture, fixtures, and equipment	3-20

Deferred Inflows of Resources: In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources. The District has two types of items, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes and unavailable revenue – grants, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded \$ 314,215 related to property taxes and related to grants considered “unavailable”. In addition, the District has several types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the actuarial experience \$ 634,828, change in proportion \$573,911, and net investment experience \$154,135 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred Outflows of Resources: In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. The deferred outflows of resources represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District has classified employer contributions to the pension plan subsequent to the measurement date in the amount of \$ 2,050,212, change in proportion in the amount of \$471,304, and change in assumptions in the amount \$1,177,789 as deferred outflows of resources.

Net Pensions Liability: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB’s fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value period.

Compensated Absences: District employees earn various types of leave based on the category of employee and the length of contract. All employees earn personal leave while 12 month employees earn additional vacation days each year.

The specific amount of personal leave earned each year is based on length of contract, and the accumulated balance of personal and sick leave.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

D. *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and net position or Equity (continued)*

Annually, unused personal leave is converted to sick leave and remains available to the employee. The accumulated balance of unused sick leave is paid to the employee upon ending employment with the District provided the employee has met the following eligibility criteria: ten years of service with the District and an accumulated sick leave balance of at least 75 days. Eligible employees will receive \$25 per day for each day up to 150 days and \$10 per day for every day of unused personal leave over 150 days up to 200 days.

Upon ending employment with the District, only 20 days of unused vacation days accumulated by twelve month employees are paid out at the employee's daily rate.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of net position.

Accrued Payroll: In the fund financial statements, governmental fund types recognize the accrual of unpaid wages and benefits that employees have earned at the close of each fiscal year. The amount recognized in the fund financial statements represents checks that were held at year end in relation to employees' summer payroll.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or straight line method if the difference is inconsequential. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period.

The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance Classification Policies and Procedures: The District has defined the various categories reported in fund balance. For committed fund balance, the District's highest level of decision-making authority is the Board of Education. The formal action that is required to be taken to establish a fund balance commitment is the Board of Education.

For assigned fund balance, the Board of Education or an official or body to which the School Board of Education delegates the authority is authorized to assign amounts to a specific purpose. The authorization policy is in governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

For the classification of fund balances, the District considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Also for the classification of fund balances, the District considers committed, assigned, or unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Non-spendable Fund Balance: At June 30, 2016, the non-spendable fund balance in the food service fund is made up of inventory in the amount of \$17,732 that is not in spendable form.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (**continued**)

D. *Assets, Deferred Outflows, Liabilities, Deferred Inflows, and net position or Equity (continued)*

Restricted and Committed Fund Balance: At June 30, 2016, the restricted fund balance on the governmental funds balance sheet is made up of \$ 455,308 for providing education to the students of the District, \$9,378,746 for the purpose of erecting, remodeling, making additions to and furnishing school buildings and purchasing or improving school grounds and purchasing computer software and hardware for student use in public schools, providing matching funds for capital outlay projects funded pursuant to the Public School Capital Outlay Act [22-24-1 NMSA 1978], or any combination of these purposes, \$5,240,447 for the payment of principal and interest of the future debt service requirements, and \$532,319 for food service operations administered within the District. \$3,205,220 has been committed for Fiscal 2016-2017 budget requirements.

Minimum Fund Balance Policy: The District's policy for maintaining a minimum amount of fund balance for operations is to minimize any sudden and unplanned discontinuity to programs and operations and for unforeseen contingencies. At a minimum, the budget shall ensure that the District holds restricted cash reserves of \$1,200,000.

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

- *Net investment in capital assets* - Net position invested in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted net position* - Consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - All other net position that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates for the District are management's estimate of depreciation on assets over their estimated useful lives, the current portion of accrued compensated absences and net pension liability.

E. *Revenues*

State Equalization Guarantee: School districts in the State of New Mexico receive a 'state equalization guarantee distribution' which is defined as "that amount of money distributed to each school district to ensure that the school district's operating revenue, including its local and federal revenues as defined (in Chapter 22, Section 825, NMSA 1978) is at least equal to the school district's program costs."

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$21,293,621 in state equalization guarantee distributions during the year ended June 30, 2016.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter. The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

E. *Revenues* (continued)

The District recognized \$4,178,372 in property tax revenues in the governmental fund financial statements during the year ended June 30, 2016. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$903,588 in transportation distributions during the year ended June 30, 2016.

Instructional Materials: The Public Education Department receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, seventy percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while thirty percent of each allocation is available for purchases directly from vendors. The District received \$216,959 of instructional materials revenue from the State for the year ended June 30, 2016.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the Public School Capital Improvements Fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of Section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1 of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. However, in the event that sufficient funds are not available in the public school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The District did not receive any SB-9 matching revenue during the year ended June 30, 2016.

Capital Outlay: The public school capital outlay fund was created under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used for: capital expenditures deemed by the public school capital outlay council to be necessary for an adequate education program per Section 22-24-4(B); core administrative function of the public school facilities authority and for project management expense upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2016, the District did not receive appropriations in the state Special Capital Outlay Fund.

Federal Grants: The District receives revenues from various federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operates under its own budget, which has been approved by the federal department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the local school board and the New Mexico Public Education Department. For this purpose, the government considers reimbursement grant revenues to be available if they are collected within 60 days of the end of the current fiscal period.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 1. Summary of Significant Accounting Policies (continued)

E. *Revenues* (continued)

The District also receives reimbursement under the National School Lunch and Breakfast Program for its food services operations, and the distribution of commodities through the New Mexico Human Services Department. These items are recorded as intergovernmental income.

NOTE 2. Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Debt Service, and Capital Projects funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

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

Actual expenditures may not exceed the budget at the function (or series) level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Public Education Department.
2. In May or June, the budget is approved by the Board of Education.
3. The school board must certify the budget. The school board meeting is open for the general public unless a closed meeting has been called.
4. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Debt Service, and Capital Projects Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Budget expenditures exclude encumbrances.
7. The school board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico Administrative Code 6.20.2.9 prohibits a District from exceeding budgetary control at the function level.

The District is required to balance its budgets each year. Accordingly, amounts that are excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund are included in each individual fund budgetary comparison.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments

State statutes authorize the investment of District funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States government obligations. All invested funds of the District properly followed state investment requirements as of June 30, 2016.

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

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

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

By operation of federal law, funds deposited in a noninterest-bearing transaction account do not receive unlimited deposit insurance coverage by the Federal Deposit Insurance Corporation (FDIC). All of the District's accounts at an insured depository institution, including all noninterest-bearing transaction accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of \$250,000

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2016, \$19,365,170 of the District's bank balance of \$20,115,170 was subject to custodial credit risk. \$13,941,357 was uninsured and collateralized by collateral held by the pledging bank's trust department, not in the District's name. \$5,423,813 of the District's deposits was uninsured and uncollateralized at June 30, 2016.

The types of collateral allowed are limited to direct obligations of the United States government and all bonds issued by any agency, District or political subdivision of the State of New Mexico.

	Wells Fargo	Citizens	Total
Amount of deposits	\$ 6,962,122	\$ 13,153,048	\$ 20,115,170
FDIC Coverage	(250,000)	(500,000)	(750,000)
Total uninsured public funds	<u>6,712,122</u>	<u>12,653,048</u>	<u>19,365,170</u>
Collateralized by securities held by pledging institutions or by trust department or agent in other than the District's name.	4,199,957	9,741,400	13,941,357
Uninsured and uncollateralized	<u>2,512,165</u>	<u>2,911,648</u>	<u>5,423,813</u>
Collateralization Requirement (50% of uninsured funds)	3,356,061	6,326,524	9,682,585
Pledged Collateral	4,199,957	9,741,400	13,941,357
Over (Under) the Requirement	<u>\$ 843,896</u>	<u>\$ 3,414,876</u>	<u>\$ 4,258,772</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

Reconciliation to the Statements of net position

The carrying amount of deposits shown above are included in the District's statements of net position as follows:

Cash and investments	\$ 19,525,112
Cash - Fiduciary Fund	295,429
Total cash	<u>19,820,541</u>
Add: outstanding checks and other reconciling items	294,629
Cash Balance per Bank	<u><u>\$ 20,115,170</u></u>

The District utilizes pooled accounts for some of their program and funds. Negative cash balances in individual funds were reclassified as due to/from accounts in the combining balance sheets as of June 30, 2016. The following individual funds had negative cash balances as of June 30, 2016. A corresponding due to other funds is reflected in each of these funds with a corresponding due from reflected in the operational fund.

Fund	Description	Amount
24101	Title I IASA	\$ (111,694)
24106	Entitlement - IDEA-B	(295,075)
24108	Autism Project	(10,180)
24109	Pre-School - IDEA-B	(5,071)
24120	IDEA-B "Risk Pool"	(612)
24154	Title II-A Teacher/Principal Training & Recruiting	(3,641)
25131	Johnson O'Malley	(10,178)
25184	Indian Education Act	(11,312)
27107	2012 GO Bond Library	(26,264)
27114	NM Reads to Lead K-3	(33,483)
27150	Indian Education Act	(10,921)
27178	School Bus Purchases	(87,376)
27181	STEM Teacher Initiative	(18,147)
27189	College Counselor Initiative	(15,971)
27195	Teachers "Hard to Staff" Stipends	(11,058)
28133	NM Youth Conservation	(73,334)
	Total	<u><u>\$ (724,317)</u></u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 3. Deposits and Investments (continued)

Component Unit Activities

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Charter School’s deposits may not be returned to it. The Charter School does not have a deposit policy for custodial credit risk, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). At June 30, 2016, \$216,930 of the Charter School’s bank balance of \$466,930 was subject to custodial credit risk. All these funds were fully collateralized by collateral held by the pledging bank’s trust department, not in the Charter School’s name.

The collateral pledged is listed on the schedule of deposits on this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, Charter School or political subdivision of the State of New Mexico.

	Citizens
Amount of deposits	\$466,930
FDIC Coverage	(250,000)
Total uninsured public funds	216,930
Collateralized by securities held by pledging institutions or by trust department or agent in other than the Charter School's name.	216,930
Uninsured and uncollateralized	-
50% Collateralization Required (50% of uninsured funds)	108,465
Pledged Collateral	580,000
Pledged Collateral (Under) the Requirement	\$471,535

Reconciliation to the Statements of net position

The carrying amount of deposits and investments shown above are included in the Charter School’s statements of net position as follows:

Cash	\$ 441,203
Cash - Fiduciary Fund	17,121
Total cash	458,324
Add: outstanding checks and other reconciling items	8,606
Cash Balance per Bank	\$ 466,930

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 4. Accounts Receivable

Primary Government:

Accounts receivable as of June 30, 2016, are as follows:

	General	IDEA- B Entitlement	Capital Improvements SB-9
Property Taxes	\$ 14,295	\$ -	\$ 74,073
Oil and Gas Taxes	8,053	-	30,477
Due from grantors			
Federal sources	-	340,749	-
State sources	-	-	68,364
Other sources	-	-	-
Due from Others	111,979		4,767
Total	\$ 134,327	\$ 340,749	\$ 177,681

	Debt Service	Non Major Government	Total
Property Taxes	\$ 323,323	\$ -	\$ 411,691
Oil and Gas Taxes	135,538	-	174,068
Due from grantors			
Federal sources	-	193,418	534,167
State sources	-	317,267	385,631
Other sources	-	-	-
Due from Others	-	-	116,746
Total	\$ 458,861	\$ 510,685	\$ 1,622,303

The above receivables are deemed 100% collectible.

In accordance with GASB No. 33, property tax revenues in the amount of \$314,215 that were not collected within the period of availability have been reclassified as unavailable revenue in the governmental fund financial statements.

Component Unit Activities:

Accounts receivable as of June 30, 2016 are as follows:

	Total Component Unit
Property Taxes	\$ 4,029
Oil and Gas Taxes	1,735
Due from Grantors	
Federal Sources	17,654
State Sources	54,281
Due from Others	2,192
Total	\$ 79,891

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$3,387 that were not collected within the period of availability have been reclassified as unavailable revenue in the governmental fund financial statements.

STATE OF NEW MEXICO
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Notes to the Financial Statements
June 30, 2016

NOTE 5. Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2016, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land and construction in progress are not subject to depreciation.

Capital Assets Class	Adjusted Balance at July 1, 2015	Additions	Deletions	Adjustments	Balance at June 30, 2016
Governmental Activities					
Capital Assets not being depreciated					
Land	\$ 6,105,691	\$ -	\$ -	\$ -	\$ 6,105,691
Construction-in-Progress	5,359	173,800	-	5,359	\$ 173,800
Total capital assets not being depreciated	6,111,050	173,800	-	5,359	6,279,491
Subject to Depreciation:					
Land Improvements	351,660	33,712	-	-	385,372
Buildings and Improvements	101,885,386	893,704	-	-	102,779,090
Furniture, fixtures and equipment	10,354,558	2,502,514	231,797	-	12,625,275
Total capital assets being depreciated	112,591,604	3,429,930	231,797	-	115,789,737
Less Accumulated Depreciation:					
Land Improvements	94,625	19,649		(840)	113,434
Buildings and Improvements	46,567,149	2,449,347		878	49,017,374
Furniture, fixtures and equipment	6,385,098	893,269	219,614	3,288	7,062,041
Total Depreciation	53,046,872	3,362,265	219,614	3,326	56,192,849
Governmental Activities					
Capital Assets, Net	\$ 65,655,782	\$ 241,465	\$ (12,183)	\$ 8,685	\$ 65,876,379

Depreciation expense charged for the year ended June 30, 2016 by function:

Governmental Activities	
Instruction	\$ 2,846,142
Support Services	938
School Administration	62,218
Operation and Maintenance of Plant	77,933
Central Services	76,517
Student Transportation	285,158
Food Service	13,359
Total Depreciation Expense	\$ 3,362,265

For the Primary Unit, the dollar value of capital asset additions reflected above differs from the capital outlay amount reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds because not all capital outlay expenditures meet the capitalization criteria. During the year ended June 30, 2016, the District capitalized \$3,603,730 of the \$5,934,985 classified as capital outlay.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 5. Capital Assets (continued)

Capital Assets Class	Balance at July 1, 2015	Additions	Deletions	Adjustments	Balance at June 30, 2016
Component Unit					
Subject to Depreciation:					
Buildings and Improvements	\$ 297,466	\$ -	\$ -	\$ -	\$ 297,466
Furniture, fixtures and equipment	63,864	-	6,528	-	57,336
Total capital assets being depreciated	<u>361,330</u>	-	<u>6,528</u>	-	<u>354,802</u>
Less Accumulated Depreciation:					
Buildings and Improvements	108,246	14,422	-	-	122,668
Furniture, fixtures and equipment	52,015	3,951	6,528	-	49,438
Total Accumulated Depreciation	<u>160,261</u>	<u>18,373</u>	<u>6,528</u>	-	<u>172,106</u>
Total capital assets, net of depreciation	<u>\$ 201,069</u>	<u>\$ (18,373)</u>	-	\$ -	<u>\$ 182,696</u>

Depreciation expense charged for the year ended June 30, 2016 by function:

Instruction	\$ 2,790
Central Services	167
Operations and Maintenance of Plant	<u>15,416</u>
Total Depreciation Expense	<u>\$ 18,373</u>

For the Component Unit, the dollar value of capital asset additions reflected above differs from the capital outlay amount reflected in the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds because not all capital outlay expenditures meet the capitalization criteria. During the year ended June 30, 2016, the Component Unit capitalized \$18,373 of the \$137,720 classified as capital outlay.

NOTE 6. Long-term Debt

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of outstanding general obligation bonds from prior years is \$47,450,000. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2016 are for governmental activities.

Bonds outstanding at June 30, 2016 are comprised of the following:

	2008	2010A	2010B	2015
Original Issue	\$ 13,225,000	\$ 12,200,000	\$ 22,025,000	\$ 11,000,000
Maturity Date	10/1/2020	8/1/2027	10/1/2020	10/1/2028
Principal	\$ 10,800,000	\$ 11,900,000	\$ 11,825,000	\$ 11,000,000
Interest Rate	3.00% to 4.00%	5.69%	3.00% to 5.00%	2.00% to 3.00%

The following is a summary of the long-term debt and the activity for the year ended June 30, 2016.

	Balance at July 1, 2015	Additions	Retirements	Balance at June 30, 2016	Due Within One Year
General Obligation Bonds Payable	\$ 45,525,000	\$ -	\$ 4,500,000	\$ 41,025,000	\$ 4,325,000
Compensated Absences	179,277	221,620	122,426	\$ 278,471	55,694
	<u>\$ 45,704,277</u>	<u>\$ 221,620</u>	<u>\$ 4,622,426</u>	<u>\$ 41,303,471</u>	<u>\$ 4,380,694</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 6. Long-term Debt (continued)

Annual Amortization of General Obligation Bonds - The annual requirements to amortize the General Obligation Bonds as of June 30, 2016, including interest payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2017	\$4,325,000	\$1,046,967	\$5,371,967
2018	4,450,000	915,342	5,365,342
2019	4,750,000	763,342	5,513,342
2020	5,150,000	602,342	5,752,342
2021	4,950,000	443,342	5,393,342
2022-2026	12,000,000	1,374,210	13,374,210
2027-2029	5,400,000	293,763	5,693,763
	<u>\$41,025,000</u>	<u>\$5,439,308</u>	<u>\$46,464,308</u>

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences increased \$99,194 from the prior year accrual. In prior years, the general fund was typically used to liquidate such long-term liabilities. The District increased the value of accumulated sick leave from \$10 to \$25 dollars per day. See Note 1 for more details.

Component Unit– The Charter School does not have any long term debt obligations other than pension liability which is discussed under the pension liability section of the notes.

NOTE 7. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error omissions; and natural disasters, for which the District is a member of the New Mexico Public School Insurance Authority (NMPSIA). NMPSIA was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes Workers Compensation, General and Automobile Liability, Automobile Physical Damage, and Property and Crime coverage. Also included under the risk management program are Boiler, Machinery and Student Accident Insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$15,000 deductible per occurrence with a maximum annual deductible of \$60,000. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for Faithful Performance. A limit of \$250,000 applies to Depositor’s Forgery, Credit Card Forgery, and Money Orders. A limit of \$100,000 applies to Money and Securities, which include a \$750 deductible.

In case the NMPSIA’s assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2016, there have been no claims that have exceeded insurance coverage.

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2016

NOTE 8. Deficit Fund Balances and Budget Noncompliance Issues

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance of individual funds. The following funds reflected a deficit fund balance as of June 30, 2016:

Primary Government:

<u>Fund</u>	<u>Description</u>	<u>Fund Balance</u>
13000	Transportation	\$ (2,022)
24106	Entitlement IDEA B	\$ (3,678)
27103	Dual Credit	\$ (264)

Component Unit: None

B. Excess of expenditures over appropriations. No funds in in the Primary Government or the Component Unit exceeded approved budgetary authority for the year ended June 30, 2016.

C. Exceeded designated cash appropriations.

Primary Government: None

Component Unit: None

NOTE 9. Funds Omitted From Financial Statement Presentation

The funds below contained revenue or expense activity for the year on a cash and modified accrual basis therefore a Statement of Revenues and Expenditures – Budget and Actual (Non-GAAP Budgetary Basis) and a Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is presented however no ending balances for assets, liabilities or fund balances existed therefore they are not reflected in the Combining Balance Sheets.

Primary Government:

Fund	Description
24176	Carl Perkins - Redistribution

Component Unit: None

NOTE 10. Pension Plan – Educational Retirement Board

General Information about the Pension Plan

Plan description. ERB was created by the state’s Educational Retirement Act, Section 22-11-1 through 22- 11-52, NMSA 1978, as amended, to administer the New Mexico Educational Employees’ Retirement Plan (Plan). The Plan is a cost-sharing, multiple employer plan established to provide retirement and disability benefits for certified teachers and other employees of the state’s public schools, institutions of higher learning, and agencies providing educational programs. The Plan is a pension trust fund of the State of New Mexico. The New Mexico legislature has the authority to set or amend contribution rates. ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 10. Pension Plan – Educational Retirement Board (continued)

Benefits provided. A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows: For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum or 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement. A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

Contributions. The contribution requirements of plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District and the Component Unit were \$2,050,211 and \$119,992 for the year ended June 30, 2016.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 10. Pension Plan – Educational Retirement Board (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer’s portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District and the component unit reported a liability of \$34,242,724 and \$1,892,648 respectively for their proportionate share of the net pension liability. The District’s proportion of the net pension liability is based on the employer contributing entity’s percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2016, the District’s proportion was 0.52866 percent, which was an increase of 0.01028 from its proportion measured as of June 30, 2015. At June 30, 2016, the component unit’s proportion was 0.02922 percent, which was an increase of 0.00028 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the District and component unit recognized pension expense of \$2,457,989 and \$149,498, respectively. At the June 30, 2016, the District and component unit reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

Primary Government:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 634,828
Net difference between projected and actual earnings on pension plan investments		154,135
Change in assumptions	1,177,789	
Changes in proportion and differences between District contributions and proportionate share of contributions	471,304	573,911
District contributions subsequent to the measurement date	2,050,212	
	\$ 3,699,305	\$ 1,362,874

Component Unit:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 35,088
Net difference between projected and actual earnings on pension plan investments		8,519
Change in assumptions	65,099	
Changes in proportion and differences between District contributions and proportionate share of contributions	14,940	
District contributions subsequent to the measurement date	119,992	
	\$ 200,031	\$ 43,607

The amount of \$2,050,212 was reported as deferred outflows of resources related to pensions resulting from District contributions and \$119,992 was reported as deferred outflows of resources related to pensions resulting from the component unit’s contributions subsequent to the measurement date of June 30, 2015, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 10. Pension Plan – Educational Retirement Board (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Primary Government:

For year ended June 30,	Deferred Inflows
2017	\$ (223,400)
2018	(168,045)
2019	202,067
2020	475,597
Thereafter	
Total	\$ 286,219

Component Unit:

For year ended June 30,	Deferred Inflows
2017	\$ 1,181
2018	2,061
2019	6,903
2020	26,287
Thereafter	-
Total	\$ 36,432

Actuarial assumptions. The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on actuarial valuation and performed as of June 30, 2015. The liabilities reflect the impact of Senate Bill 115, signed into law March 29, 2013 and new assumptions adopted by the Board of Trustees on June 12, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by the Board on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.
5. For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contributions rates included in the measurement are as follows:

Actuarial Cost Method Entry Age Normal

Amortization Method Level Percentage of Payroll

Remaining Period Amortized – closed 30 years from June 30, 2012 to June 30, 2042

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 10. Pension Plan – Educational Retirement Board (continued)

Asset Valuation Method 5 year smoothed market for funding valuation (fair value for financial valuation)

Inflation 3.00%

Salary Increases Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service

Investment Rate of Return 7.75%

Retirement Age Experience based table of age and service rates

Mortality 90% of RP-2000 Combined Mortality Table with White Collar

Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. ERB's investment allocation policy was reviewed and amended by the Board of Trustees on June 14, 2014. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following schedule shows the current asset allocation policy adopted June 14, 2014 as well as the prior allocation policy targets.

Comparative Schedule of Target Investment Allocation

<u>Asset Class</u>	<u>Target Allocation</u>	
	<u>After 6/14/2014</u>	<u>Prior to 6/14/2014</u>
Equities		
<i>Domestic Equities</i>		
Large cap equities	18%	20%
Small- mid cap equities	2%	2%
<i>International Equities</i>		
Developed	5%	5%
Emerging markets	10%	10%
Total equities	35%	37%
Fixed Income		
Opportunistic credit	20%	20%
Core bonds	6%	7%
Emerging market debt	2%	2%
Total fixed income	28%	29%
Alternatives		
Real estate - REITS	7%	5%
Real assets	8%	7%
Private equity	11%	8%
Absolute return	0%	3%
Global asset allocation	5%	5%
Risk parity	5%	5%
Total alternatives	36%	33%
Cash	1%	1%
Total	100%	100%

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 10. Pension Plan – Educational Retirement Board (continued)

For the years ended June 30, 2015 and 2014, the annual money-weighted rates of return on pension plan investments were for each asset class above 4.06% and 14.71%, respectively.

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015 and June 30, 2014. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the stated assumptions and the projection of cash flows, the Plan’s fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current pension plan members. Therefore the long term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that Plan contributions will be made at the current statutory levels. Additionally, contributions received through the Alternative Retirement Plan (ARP), ERB’s defined contribution plan, are included in the projection of cash flows. ARP contributions are assumed to remain at a level percentage of ERB payroll, where the percentage of payroll is based on the most recent five year contribution history.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the (employer’s) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Single Rate (7.75%)	1% Increase (8.75 %)
Aztec Municipal School's proportionate share of the net pension liability	46,075,862	34,242,716	24,301,641
Mosaic Charter School's proportionate share of the net pension liability	2,546,697	1,892,657	1,343,196

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2015 and June 30, 2014 which are publicly available at www.nmerb.org.

Payables to the pension plan. DISTRICT remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2016 there were no contributions due and payable for the District or the component unit.

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Notes to the Financial Statements
 June 30, 2016

NOTE 11. Post-Employment Benefits – State Retiree Health Care Plan

Plan Description. The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies. Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person’s behalf unless that person retires before the employer’s RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer’s effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. During the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee’s annual salary; each participating employee was required to contribute 1.007% of their salary. In fiscal year ending June 30, 2016 the contribution rates for employees and employers will be:

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employee Contribution Rate</u>
FY16	2.000%	1.000%

Also, employers joining the program after 1/1/98 are required to make a surplus-amount contribution to the RHCA based on one of two formulas at agreed-upon intervals.

The RHCA plan is financed on a pay-as-you-go basis. The employer, employee and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the contributions can be changed by the New Mexico State Legislature. The District’s contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$295,108, \$300,327 and \$285,786, respectively, which equal the required contribution for each year.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 12. Contingent Liabilities

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

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 13. Joint Powers Agreements

Northeast San Juan County Family Center Educational Phase

Participants – Aztec Municipal School
City of Aztec
San Juan Junior College District

Responsible party – All participants

Description – The property deeded to the San Juan College and the District by the City of Aztec shall be operated by the parties in a manner designed to facilitate the most efficient, cost-effective use in order to maximize the benefits of the property to the residents of the City.

Begin date – July 25, 2005

Ending date – Until notified

Estimated amount of project – Unknown

Amount contributed – None

Fiscal agent – Not applicable

Tiger Sports Complex East

Participants – Aztec Municipal School
City of Aztec

Responsible party – All participants

Description – To provide maintenance, upkeep, and governance of Tiger Sports Complex East.

Begin date – June 23, 2009

Ending date – June 30, 2019

Estimated amount of project – Unknown

Amount contributed – None

Fiscal agent – The District shall be designated as the fiscal agent for construction of propane, telephone, supplies, vandalism, technology service and use. The City shall be designated as the fiscal agent for utility services.

NOTE 14. Subsequent Events

The date to which events occurring after June 30, 2016, the date of the most recent balance sheet, have been evaluated for possible adjustment to the financial statements or disclosures is November 8, 2016 which is the date on which the financial statements were available to be issued. No events took place subsequent to year end.

NOTE 15. Concentrations

The District depends on financial resources flowing from, or associated with, both the federal government and the state of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and state laws and federal and state appropriations.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 16. Subsequent Pronouncements

In June 2015, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement established requirements for defined benefit pensions that are not within the scope of Statement No. 68 in financial reporting periods beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In June 2015, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for fiscal years beginning after June 15, 2016. Earlier application is encouraged. This statement is not expected to have an affect on the District's financial statements.

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for addressing accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers for fiscal years beginning after June 15, 2017. Earlier application is encouraged. This statement is expected to materially affect future financial statements of the District.

In August 2015, GASB Statement No. 77, *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement require governments that enter into tax abatement agreements to disclose relevant information about those agreements and is effective for fiscal years beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this pronouncement will affect the financial statements.

In December 2015, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, was issued. Effective Date: The provisions of this Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plans and is effective for fiscal years beginning after December 15, 2015. The District is still evaluating how this pronouncement will affect the financial statements.

In January 2016, GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, was issued. Effective Date: The provisions of this Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and is effective for reporting periods beginning after June 15, 2016. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, was issued. Effective Date: The provisions of this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period and is effective for reporting periods beginning after December 15, 2016. The District is still evaluating how this pronouncement will affect the financial statements.

In March 2016, GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, was issued. Effective Date: The provisions of this Statement clarifies that payments that are made by an

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to the Financial Statements
June 30, 2016

NOTE 16 Subsequent Pronouncements (continued)

employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions and is effective for reporting periods after June 15, 2016. The District is still evaluating how this pronouncement will affect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Proportionate Share of the Net Pension Liability
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	2016	2015
Aztec Municipal Schools' proportion of the net pension liability (asset)	0.5287%	0.5184%
Aztec Municipal Schools' proportionate share of the net pension liability (asset)	\$ 34,242,716	\$ 29,577,358
Aztec Municipal Schools' covered-employee payroll	15,025,705	\$ 14,285,439
Aztec Municipal Schools' proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	228%	207%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

Mosaic Charter School
Schedule of Proportionate Share of the Net Pension Liability
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	2016	2015
Mosaic Charter School's proportion of the net pension liability (asset)	0.02922%	0.02894%
Mosaic Charter School's proportionate share of the net pension liability (asset)	\$ 1,892,657	\$ 1,651,229
Mosaic Charter School's covered-employee payroll	830,698	\$ 797,569
Mosaic Charter School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	228%	207%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Aztec Municipal Schools will present information for those years for which information is available.

See independent auditor's report
See notes to required supplementary information

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Contributions
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	2016	2015
Contractually required contribution	2,050,211	2,088,885
Contributions in relation to the contractually required contribution	2,050,211	2,088,885
Contribution deficiency (excess)	\$ -	\$ -
Aztec Municipal Schools covered-employee payroll	14,749,720	15,025,705
Contribution as a percentage of covered-employee payroll	13.90%	13.90%

Mosaic Charter School
Schedule of Contributions
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	2016	2015
Contractually required contribution	\$ 119,992	\$ 115,467
Contributions in relation to the contractually required contribution	119,992	115,467
Contribution deficiency (excess)	\$ -	\$ -
Mosaic Charter School covered-employee payroll	863,249	830,698
Contribution as a percentage of covered-employee payroll	13.90%	13.90%

* The amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, Aztec Municipal Schools will present information for those years for which information is available.

STATE OF NEW MEXICO
Aztec Municipal Schools
Notes to Required Supplementary Information
June 30, 2016

Changes of benefit terms.

The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure Pension Plan – Educational Retirement Board, General Information on the Pension Plan.

Changes of assumptions.

The Board of Trustees approved the following economic and demographic assumptions used in the fiscal year 2015 actuarial calculation of the total pension liability on June 12, 2015:

- 1) Lower wage inflation from 4.25% to 3.75%
- 2) Update the mortality tables to incorporate generational improvements
- 3) Update demographic assumptions to use currently published tables, which may result in minor calculation changes
- 4) Maintain current 3.00% inflation assumption
- 5) Retain net 4.75% real return assumption
- 6) Retain 7.75% nominal return assumption
- 7) No change to COLA assumption of 2.00% per year
- 8) Maintain current payroll growth assumption of 3.50%
- 9) Maintain experience-based rates for members who joined NMERB by June 20, 2010
- 10) Remove population growth assumption for projections
- 11) Lower population growth from .50% to zero (no impact on valuation results)

See also the *Actuarial Assumptions* subsection of the financial statement note disclosure *Pension Plan – Educational Retirement Board, General Information on the Pension Plan*

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SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Fund Descriptions
June 30, 2016

SPECIAL REVENUE FUNDS

Food Services (21000) – This fund is utilized to account for federal and local sources of income relating to the food service programs. The Cafeteria Fund is segregated into two categories, one being the federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13.

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

Title I IASA (24101) – The major objectives of the Title I program are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

IDEA-B Autism (24108) – This fund is used to account for funds provided to the district to support participation in the New Mexico Autism Project. The New Mexico Autism Project was established to improve educational outcomes for children diagnosed with Autism Spectrum Disorder. The funds were to be used for the establishment of a Technical Assistance Team, professional development, and curriculum resources.

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

IDEA-B “Risk” Pool (24120) – To account for federal funds provided to assist the District in providing free appropriate public education to all handicapped children. Program funding authorized by Individuals with Disabilities Education Act, Part B, Section 611 620, as amended, Public Laws 91 230, 93 380, 94 142, 98 199, 99 457, 100 639, and 101 476, 20 U.S.C. 1411 1420.

Title II-A Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science and also to increase the accessibility of such instruction to all students. Authority for creation of this fund is the Rehabilitation Act of 1973, as amended, Title III, Section 303(b)-(d). 20 U.S.C. 777a and 797a.

Carl Perkins (24174) - The objective of this grant is to provide secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. This program is authorized by the Carl D. Perkins Career and Technical Education Act of 2006.

Carl Perkins – Secondary Distribution (24176) - The objective of this grant is to provide secondary educational institutions the opportunity to develop, implement, and operate programs using different models of curricula that integrate vocational and academic learning. Funds are acquired from federal sources through the New Mexico Department of Education. This program is authorized by the Carl D. Perkins Career and Technical Education Act of 2006. Distribution of Carl Perkins funds previously distributed are tracked in this fund.

Johnson O'Malley (25131) - To account for grant funds (through the Navajo Nation) to be used to fulfill the needs of Indian students. The funding authority is The Navajo Nation Department of Education. PL93-638 and PL100-427.

Indian Education Formula Grant (25184) - To account for a program funded by a Federal grant to develop and carry

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Fund Descriptions
June 30, 2016

out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to: 1) Improve academic performance, 2) Reduce school dropout rates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U.S.C. 2601-2606.

BP Educational Grants (26150) - To account for funds received from the British Petroleum supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

Conoco Phillips Education Grants (26200) – To account for funds received from Conoco Phillips supporting educational projects/activities. Authority for the creation of this fund is the New Mexico Public Education Department.

Dual Credit Instructional Materials (27103) - SB943 (2007) and SB31 (2008) create a dual credit program that allows public high school students in school districts, charter schools and state-supported schools in the state to earn both high school and college credit for qualifying dual credit courses. Authority for the creation of this fund is the New Mexico Public Education Department.

2012 G.O. Bond Student Library (27107) - Must be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Authority for the creation of this fund is the New Mexico Public Education Department.

Instructional Materials Adoption Support (27113) – To account for financial activity associated with contract between the New Mexico Public Education Department supporting the annual review of instructional material submitted to the New Mexico Public Education Department for acceptance for use in the public schools in New Mexico.

NM Reads to Lead K-3 (27114) – To account for funds provided by the New Mexico Public Education Department to support legislative initiative to improve reading in grades K-3.

Indian Education Act (27150) – To account for funds provided by New Mexico Public Education Department to address the needs of American Indian students to ensure improved academic performance and closing of the achievement gap.

2013 School Bus Purchase (27178) - To account for funds provided by New Mexico Public Education Department to purchase school buses.

“STEM” Teacher Initiative (27181) - To account for funds provided by the New Mexico Public Education Department to assist with the recruitment and retention of teachers in “hard to staff” content areas.

College Counselor Initiative (27189) - To account for funds provided by the New Mexico Public Education Department to support College Counselors in public schools.

Parent Advocacy Project (27193) – To account for funds distributed by the New Mexico Public Education Department to help develop a student-parent portal or request reimbursement for an existing student-parent portal.

Teachers “Hard to Staff” stipends (27195) - To account for funds provided by the New Mexico Public Education Department to assist with the recruitment and retention of teachers in “hard to staff” content areas.

NM Youth Conservation (28133) - To account for a program funded by the New Mexico Youth Conservation Corps supporting the education, success and well-being of the youth of New Mexico through the conservation and enhancement of the state’s natural resources and lasting community benefits. Authority for the creation of this fund is the New Mexico Public Education Department.

Medicaid Support - HSD (28144) – To assist schools in offering key health and health-related services that are designed to integrate and maintain active learning for Medicaid-eligible children with disabilities and special health care needs.

NON-MAJOR GOVERNMENT FUNDS

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds
Combining Balance Sheet
As of June 30, 2016

SPECIAL REVENUE

	Fund 21000	Fund 22000	Fund 24101	Fund 24108	Fund 24109	Fund 24120	Fund 24154
	Food Services	Athletics	Title I IASA	Autism Project	Preschool IDEA-B	IDEA-B "Risk Pool"	Title II-A Teacher Training
ASSETS							
Assets:							
Cash	\$ 522,913	\$ 64,508	\$ -	\$ -	\$ -	\$ -	\$ -
Due from grantor	19,165	-	127,081	10,180	5,071	612	8,174
Inventory	17,332	-	-	-	-	-	-
Total assets	<u>\$ 559,410</u>	<u>\$ 64,508</u>	<u>\$ 127,081</u>	<u>\$ 10,180</u>	<u>\$ 5,071</u>	<u>\$ 612</u>	<u>\$ 8,174</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE							
Liabilities:							
Accounts payable	\$ 9,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	51	-	15,183	-	-	-	4,532
Due to other funds	-	-	111,694	10,180	5,071	612	3,641
Total liabilities	<u>9,759</u>	<u>-</u>	<u>126,877</u>	<u>10,180</u>	<u>5,071</u>	<u>612</u>	<u>8,173</u>
Deferred inflows of resources							
Unavailable Revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances							
Nonspendable							
Inventory	17,332	-	-	-	-	-	-
Spendable							
Restricted for:							
Education	-	64,508	204	-	-	-	1
Food service operations	532,319	-	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-	-
Committed for:							
Emergency Reserves	-	-	-	-	-	-	-
Subsequent years expenditures	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balance	<u>549,651</u>	<u>64,508</u>	<u>204</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Total liabilities, deferred resources and fund balance	<u>\$ 559,410</u>	<u>\$ 64,508</u>	<u>\$ 127,081</u>	<u>\$ 10,180</u>	<u>\$ 5,071</u>	<u>\$ 612</u>	<u>\$ 8,174</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds
Combining Balance Sheet
As of June 30, 2016

SPECIAL REVENUE

	<u>Fund 25131</u>	<u>Fund 25184</u>	<u>Fund 26150</u>	<u>Fund 26200</u>	<u>Fund 27103</u>
	<u>Johnson O'Malley</u>	<u>Indian Education Formula</u>	<u>BP Educational</u>	<u>Conoco Phillips</u>	<u>Dual Credit Instructional Materials</u>
ASSETS					
Assets:					
Cash	\$ -	\$ -	\$ 74,569	\$ 3,726	\$ -
Due from grantor	10,347	12,788	-	-	-
Inventory	-	-	-	-	-
Total assets	<u>\$ 10,347</u>	<u>\$ 12,788</u>	<u>\$ 74,569</u>	<u>\$ 3,726</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 264
Accrued salaries and benefits	169	1,476	-	-	-
Due to other funds	10,178	11,312	-	-	-
Total liabilities	<u>10,347</u>	<u>12,788</u>	<u>-</u>	<u>-</u>	<u>264</u>
Deferred inflows of resources					
Unavailable Revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable					
Inventory	-	-	-	-	-
Spendable					
Restricted for:					
Education	-	-	74,569	3,726	-
Food service operations	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-
Debt Services	-	-	-	-	-
Committed for:					
Emergency Reserves	-	-	-	-	-
Subsequent years expenditures	-	-	-	-	-
Unassigned	-	-	-	-	(264)
Total fund balance	<u>-</u>	<u>-</u>	<u>74,569</u>	<u>3,726</u>	<u>(264)</u>
Total liabilities, deferred resources and fund balance	<u>\$ 10,347</u>	<u>\$ 12,788</u>	<u>\$ 74,569</u>	<u>\$ 3,726</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds
Combining Balance Sheet
As of June 30, 2016

SPECIAL REVENUE

	<u>Fund 27107</u>	<u>Fund 27113</u>	<u>Fund 27114</u>	<u>Fund 27150</u>	<u>Fund 27178</u>	<u>Fund 27181</u>
	<u>2012 GO Bond Library</u>	<u>Instructional Material Adoption Support</u>	<u>NM Reads To Lead K-3</u>	<u>Indian Education Act</u>	<u>2013 School Bus Purchase</u>	<u>STEM Teacher Initiative</u>
ASSETS						
Assets:						
Cash	\$ -	\$ 18,430	\$ -	\$ -	\$ -	\$ -
Due from grantor	26,264	-	35,422	10,928	87,376	20,260
Inventory	-	-	-	-	-	-
Total assets	<u>\$ 26,264</u>	<u>\$ 18,430</u>	<u>\$ 35,422</u>	<u>\$ 10,928</u>	<u>\$ 87,376</u>	<u>\$ 20,260</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	385	1,939	7	-	2,113
Due to other funds	26,264	-	33,483	10,921	87,376	18,147
Total liabilities	<u>26,264</u>	<u>385</u>	<u>35,422</u>	<u>10,928</u>	<u>87,376</u>	<u>20,260</u>
Deferred inflows of resources						
Unavailable Revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances						
Nonspendable						
Inventory	-	-	-	-	-	-
Spendable						
Restricted for:						
Education	-	18,045	-	-	-	-
Food service operations	-	-	-	-	-	-
Capital acquisitions and improvements	-	-	-	-	-	-
Debt Services	-	-	-	-	-	-
Committed for:						
Emergency Reserves	-	-	-	-	-	-
Subsequent years expenditures	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>18,045</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred resources and fund balance	<u>\$ 26,264</u>	<u>\$ 18,430</u>	<u>\$ 35,422</u>	<u>\$ 10,928</u>	<u>\$ 87,376</u>	<u>\$ 20,260</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds
Combining Balance Sheet
As of June 30, 2016

SPECIAL REVENUE

	<u>Fund 27189</u>	<u>Fund 27195</u>	<u>Fund 28133</u>	<u>Fund 28144</u>	
	<u>College Counselor Initiative</u>	<u>Teachers "Hard to Staff" Stipends</u>	<u>NM Youth Conservation</u>	<u>Medicaid Support HSD</u>	<u>Totals</u>
ASSETS					
Assets:					
Cash	\$ -	\$ -	\$ -	\$ 197,236	\$ 881,382
Due from grantor	20,090	11,168	75,316	30,443	510,685
Inventory	-	-	-	-	17,332
Total assets	<u>\$ 20,090</u>	<u>\$ 11,168</u>	<u>\$ 75,316</u>	<u>\$ 227,679</u>	<u>\$ 1,409,399</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 534	\$ 10,506
Accrued salaries and benefits	4,119	110	1,956	11,350	43,390
Due to other funds	15,971	11,058	73,334	-	429,242
Total liabilities	<u>20,090</u>	<u>11,168</u>	<u>75,290</u>	<u>11,884</u>	<u>483,138</u>
Deferred inflows of resources					
Unavailable Revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable					
Inventory	-	-	-	-	17,332
Spendable					
Restricted for:					
Education	-	-	-	-	161,053
Food service operations	-	-	-	-	532,319
Capital acquisitions and improvements	-	-	-	-	-
Debt Services	-	-	-	-	-
Committed for:					
Emergency Reserves	-	-	-	-	-
Subsequent years expenditures	-	-	26	215,795	215,821
Unassigned	-	-	-	-	(264)
Total fund balance	<u>-</u>	<u>-</u>	<u>26</u>	<u>215,795</u>	<u>926,261</u>
Total liabilities, deferred resources and fund balance	<u>\$ 20,090</u>	<u>\$ 11,168</u>	<u>\$ 75,316</u>	<u>\$ 227,679</u>	<u>\$ 1,409,399</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	SPECIAL REVENUE				
	Fund 21000	Fund 22000	Fund 24101	Fund 24108	Fund 24109
	Food Services	Athletics	Title I IASA	Autism Project	Preschool IDEA-B
Revenues:					
Federal grants	\$ 1,065,868	\$ -	\$ 469,702	\$ 10,180	\$ 14,746
State grants	-	-	-	-	-
Local sources:					
Local grants	-	-	-	-	-
Charges for services	362,942	95,133	-	-	-
Miscellaneous	18,937	1,915	-	-	-
Total revenues	<u>1,447,747</u>	<u>97,048</u>	<u>469,702</u>	<u>10,180</u>	<u>14,746</u>
Expenditures:					
Current:					
Instruction	-	110,011	329,484	6,800	5,858
Support services - students	-	-	-	2,628	7,573
Support services - instruction	-	-	74,360	-	-
Support services - general administration	-	-	18,326	-	575
Support services - school administration	-	-	47,297	752	731
Central services	-	-	-	-	-
Student transportation	-	-	235	-	-
Food services	1,329,997	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>1,329,997</u>	<u>110,011</u>	<u>469,702</u>	<u>10,180</u>	<u>14,737</u>
Revenues over (under) expenditures	<u>117,750</u>	<u>(12,963)</u>	<u>-</u>	<u>-</u>	<u>9</u>
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Net Change in fund balance	117,750	(12,963)	-	-	9
Fund balance - beginning of year	<u>431,901</u>	<u>77,471</u>	<u>204</u>	<u>-</u>	<u>(9)</u>
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year (adjusted)	<u>431,901</u>	<u>77,471</u>	<u>204</u>	<u>-</u>	<u>(9)</u>
Fund balance - end of year	<u>\$ 549,651</u>	<u>\$ 64,508</u>	<u>\$ 204</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	SPECIAL REVENUE				
	Fund 24120	Fund 24154	Fund 24176	Fund 25131	Fund 25184
	IDEA-B "Risk Pool"	Title II-A Teacher Training	Carl Perkins Redistribution	Johnson O'Malley	Indian Education Formula
Revenues:					
Federal grants	\$ 612	\$ 162,034	\$ 4,888	\$ 23,847	\$ 85,875
State grants	-	-	-	-	-
Local sources:					
Local grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>612</u>	<u>162,034</u>	<u>4,888</u>	<u>23,847</u>	<u>85,875</u>
Expenditures:					
Current:					
Instruction	612	95,060	2,610	10,854	55,142
Support services - students	-	-	-	12,062	19,269
Support services - instruction	-	-	-	-	-
Support services - general administration	-	-	-	931	3,351
Support services - school administration	-	-	-	-	8,113
Central services	-	-	-	-	-
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>612</u>	<u>95,060</u>	<u>2,610</u>	<u>23,847</u>	<u>85,875</u>
Revenues over (under) expenditures	<u>-</u>	<u>66,974</u>	<u>2,278</u>	<u>-</u>	<u>-</u>
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	-	66,974	2,278	-	-
Fund balance - beginning of year	<u>-</u>	<u>(66,973)</u>	<u>(2,278)</u>	<u>-</u>	<u>-</u>
Adjustments and residual equity transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning of year (adjusted)	<u>-</u>	<u>(66,973)</u>	<u>(2,278)</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	SPECIAL REVENUE				
	Fund 26150	Fund 26200	Fund 27103	Fund 27107	Fund 27113
	BP Educational	Conoco Phillips	Dual Credit Instructional Materials	2012 GO Bond Library	Instructional Material Adoption Support
Revenues:					
Federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	-	-	7,000	26,264	134,667
Local sources:					
Local grants	42,343	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>42,343</u>	<u>-</u>	<u>7,000</u>	<u>26,264</u>	<u>134,667</u>
Expenditures:					
Current:					
Instruction	8,265	31,357	7,244	-	-
Support services - students	-	-	-	-	-
Support services - instruction	-	-	-	26,264	-
Support services - general administration	15,066	-	-	-	-
Support services - school administration	-	-	-	-	-
Central services	-	-	-	-	135,923
Student transportation	-	-	-	-	-
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>23,331</u>	<u>31,357</u>	<u>7,244</u>	<u>26,264</u>	<u>135,923</u>
Revenues over (under) expenditures	<u>19,012</u>	<u>(31,357)</u>	<u>(244)</u>	<u>-</u>	<u>(1,256)</u>
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	19,012	(31,357)	(244)	-	(1,256)
Fund balance - beginning of year	<u>55,557</u>	<u>35,084</u>	<u>(20)</u>	<u>-</u>	<u>19,301</u>
Adjustments and residual equity transfers	-	(1)	-	-	-
Fund balance - beginning of year (adjusted)	<u>55,557</u>	<u>35,083</u>	<u>(20)</u>	<u>-</u>	<u>19,301</u>
Fund balance - end of year	<u>\$ 74,569</u>	<u>\$ 3,726</u>	<u>\$ (264)</u>	<u>\$ -</u>	<u>\$ 18,045</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	SPECIAL REVENUE				
	Fund 27114	Fund 27150	Fund 27178	Fund 27181	Fund 27189
	NM Reads To Lead K-3	Indian Education Act	2013 School Bus Purchase	STEM Teacher Initiative	College Counselor Initiative
Revenues:					
Federal grants	\$ -	\$ -	\$ -	\$ -	-
State grants	130,000	24,471	87,376	48,600	52,110
Local sources:					
Local grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	130,000	24,471	87,376	48,600	52,110
Expenditures:					
Current:					
Instruction	46,042	5,616	-	48,600	-
Support services - students	-	17,900	-	-	52,110
Support services - instruction	83,931	-	-	-	-
Support services - general administration	27	955	-	-	-
Support services - school administration	-	-	-	-	-
Central services	-	-	-	-	-
Student transportation	-	-	87,376	-	-
Food services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	130,000	24,471	87,376	48,600	52,110
Revenues over (under) expenditures	-	-	-	-	-
Other financing sources (Uses):					
Operating transfers in	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Net Change in fund balance	-	-	-	-	-
Fund balance - beginning of year	-	-	-	-	-
Adjustments and residual equity transfers	-	-	-	-	-
Fund balance - beginning of year (adjusted)	-	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -	-

STATE OF NEW MEXICO

Aztec Municipal Schools

Non-Major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	SPECIAL REVENUE			TOTAL
	Fund 27195 Teachers "Hard to Staff" Stipends	Fund 28133 NM Youth Conservation	Fund 28144 Medicaid Support HSD	
Revenues:				
Federal grants	\$ -	\$ -	\$ -	1,837,752
State grants	18,225	144,824	183,558	857,095
Local sources:				
Local grants	-	-	-	42,343
Charges for services	-	-	-	458,075
Miscellaneous	-	-	-	20,852
Total revenues	<u>18,225</u>	<u>144,824</u>	<u>183,558</u>	<u>3,216,117</u>
Expenditures:				
Current:				
Instruction	18,225	144,824	9,519	936,123
Support services - students	-	-	151,050	262,592
Support services - instruction	-	-	-	184,555
Support services - general administration	-	-	-	39,231
Support services - school administration	-	-	64,922	121,815
Central services	-	-	17,072	152,995
Student transportation	-	-	-	87,611
Food services	-	-	-	1,329,997
Capital outlay	-	-	-	-
Total expenditures	<u>18,225</u>	<u>144,824</u>	<u>242,563</u>	<u>3,114,919</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(59,005)</u>	<u>101,198</u>
Other financing sources (Uses):				
Operating transfers in	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in fund balance	-	-	(59,005)	101,198
Fund balance - beginning of year	-	26	274,800	825,064
Adjustments and residual equity transfers	-	-	-	(1)
Fund balance - beginning of year (adjusted)	-	26	274,800	825,063
Fund balance - end of year	\$ <u>-</u>	\$ <u>26</u>	\$ <u>215,795</u>	\$ <u>926,261</u>

BUDGETARY BASIS STATEMENTS

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 21000 - Food Services - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources:				
Direct Federal Grants	\$ 925,000	\$ 925,000	\$ 960,091	\$ 35,091
Donated Commodities	-	-	-	-
Total Federal Sources	925,000	925,000	960,091	35,091
Local Sources:				
Prior Year Voided Checks	-	-	-	-
Investment Income	-	-	-	-
Fees - Adults	14,000	14,000	16,238	2,238
Fees - Students	200,000	200,000	268,937	68,937
Fees - Other Services	61,000	61,000	80,542	19,542
Total Local Sources	275,000	275,000	365,717	90,717
Total Revenues	1,200,000	1,200,000	1,325,808	125,808
Expenditures:				
Education, Current:				
Food Services	1,480,360	1,480,360	1,228,701	251,659
Total Expenditures	1,480,360	1,480,360	1,228,701	251,659
Revenues Over (Under) Expenditures	\$ (280,360)	\$ (280,360)	\$ 97,107	\$ 377,467
Other Financing Sources (Uses)				
Cash budgeted from prior year	280,360	280,360		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			\$ 97,107	
Fund Balances - beginning of year (adjusted)			425,755	
Fund Balances - end of year			522,862	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			97,107	
Accrued Revenues			121,939	
Accrued Expenditures			(101,296)	
Net change in fund balances (GAAP Basis)			\$ 117,750	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 22000 - Athletics - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources:				
Fees - Activities	\$ 75,000	\$ 75,000	\$ 95,133	\$ 20,133
Prior Year Voided Checks	-	-	1,915	1,915
Investment Income	-	-	-	-
Total Revenues	75,000	75,000	97,048	22,048
Expenditures:				
Education, Current:				
Instruction	110,000	110,000	110,000	-
Total Expenditures	110,000	110,000	110,000	-
Revenues Over (Under) Expenditures	\$ (35,000)	\$ (35,000)	\$ (12,952)	\$ 22,048
Other Financing Sources (Uses)				
Cash budgeted from prior year	35,000	35,000		
Operating Transfers and Adjustments			\$ -	
Net change in fund balances (Budget Basis)			(12,952)	
Fund Balances - beginning of year (adjusted)			77,471	
Fund Balances - end of year			\$ 64,519	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			(12,952)	
Accrued Revenues			-	
Accrued Expenditures			(11)	
Net change in fund balances (GAAP Basis)			\$ (12,963)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24101 - Title I IASA - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Investment Income	\$ -	\$ -	\$ -	-
Federal Sources	349,780	472,191	531,415	59,224
Total Revenues	349,780	472,191	531,415	59,224
Expenditures:				
Education, Current:				
Instruction	221,973	331,973	329,484	2,489
Support Services - Instruction	42,403	54,814	74,360	(19,546)
Support Services - General Administration	13,647	13,647	18,326	(4,679)
Support Services - School Administration	70,478	70,478	47,297	23,181
Support Services - Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	1,279	1,279	235	1,044
Community Services	-	-	-	-
Total Expenditures	349,780	472,191	469,702	2,489
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 61,713	\$ 61,713
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			\$ 61,713	
Fund Balances - beginning of year (adjusted)			(188,590)	
Fund Balances - end of year			(126,877)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			61,713	
<i>Accrued Revenues</i>			(61,713)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24108 - Autism Project - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -
Federal Sources	-	10,180	-	(10,180)
Total Revenues	-	10,180	-	(10,180)
Expenditures:				
Education, Current:				
Instruction	-	6,800	6,800	-
Support Services - Students	-	2,000	2,628	(628)
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	1,380	752	628
Total Expenditures	-	10,180	10,180	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (10,180)	\$ (10,180)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (10,180)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (10,180)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(10,180)	
<i>Accrued Revenues</i>			10,180	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24109 - Pre-School IDEA-B - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	22,381	44,762	14,582	(30,180)
Total Revenues	22,381	44,762	14,582	(30,180)
Expenditures:				
Education, Current:				
Instruction	4,874	18,255	5,866	12,389
Support Services - Students	2,598	9,098	7,573	1,525
Support Services - General Administration	909	909	575	334
Support Services - School Administration	4,000	6,500	731	5,769
Total Expenditures	12,381	34,762	14,745	20,017
Revenues Over (Under) Expenditures	\$ 10,000	\$ 10,000	\$ (163)	\$ (10,163)
Other Financing Sources (Uses)				
Cash budgeted from prior year	(10,000)	(10,000)		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (163)	
Fund Balances - beginning of year (adjusted)			(4,908)	
Fund Balances - end of year			\$ (5,071)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(163)	
<i>Accrued Revenues</i>			164	
<i>Accrued Expenditures</i>			8	
Net change in fund balances (GAAP Basis)			\$ 9	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24120 - IDEA-B "Risk Pool" - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	-	612	690	78
Total Revenues	-	612	690	78
Expenditures:				
Education, Current:				
Instruction	-	612	612	-
Support Services - Students	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Total Expenditures	-	612	612	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 78	\$ 78
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 78	
Fund Balances - beginning of year (adjusted)			(690)	
Fund Balances - end of year			\$ (612)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			78	
<i>Accrued Revenues</i>			(78)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24154 - Title II -A Teacher/Principal Training & Recruiting - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	81,914	95,060	153,860	58,800
Total Revenues	81,914	95,060	153,860	58,800
Expenditures:				
Education, Current:				
Instruction	81,914	95,060	95,060	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Support Services - School Administration	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	81,914	95,060	95,060	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 58,800	\$ 58,800
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			\$ 58,800	
Fund Balances - beginning of year (adjusted)			(66,973)	
Fund Balances - end of year			(8,173)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			58,800	
Accrued Revenues			8,174	
Accrued Expenditures			-	
Net change in fund balances (GAAP Basis)			\$ 66,974	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24174 - Carl Perkins - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	-	-	6,190	6,190
Total Revenues	-	-	6,190	6,190
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 6,190	\$ 6,190
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			\$ 6,190	
Fund Balances - beginning of year (adjusted)			(6,190)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			6,190	
<i>Accrued Revenues</i>			(6,190)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 24176 - Carl Perkins Secondary Redistribution - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	2,942	2,509	4,888	2,379
Total Revenues	2,942	2,509	4,888	2,379
Expenditures:				
Education, Current:				
Instruction	2,942	2,509	2,445	64
Support Services - Students	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	-	-
Central Services	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	2,942	2,509	2,445	64
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 2,443	\$ 2,443
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			\$ 2,443	
Fund Balances - beginning of year (adjusted)			(2,443)	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
Net change in fund balance (Budget Basis)			2,443	
Accrued Revenues			-	
Accrued Expenditures			(165)	
Net change in fund balances (GAAP Basis)			\$ 2,278	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 25131 - Johnson O'Malley - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	22,339	29,695	19,763	(9,932)
Total Revenues	22,339	29,695	19,763	(9,932)
Expenditures:				
Education, Current:				
Instruction	-	13,255	10,854	2,401
Support Services - Students	22,339	15,235	12,081	3,154
Support Services - General Administration	-	1,205	931	274
Support Services - School Administration	-	-	-	-
Operations and Maintenance of Plant	-	-	-	-
Student Transportation	-	-	-	-
Total Expenditures	22,339	29,695	23,866	5,829
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (4,103)	\$ (4,103)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	
Operating Transfers and Adjustments	-	-	-	
Net change in fund balances (Budget Basis)			\$ (4,103)	
Fund Balances - beginning of year (adjusted)			(6,244)	
Fund Balances - end of year			\$ (10,347)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(4,103)	
<i>Accrued Revenues</i>			4,084	
<i>Accrued Expenditures</i>			19	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 25184 - Indian Education Formula Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
Federal Sources	90,019	85,875	73,087	(12,788)
Total Revenues	90,019	85,875	73,087	(12,788)
Expenditures:				
Education, Current:				
Instruction	59,286	55,142	55,142	-
Support Services - Students	17,127	18,511	19,269	(758)
Support Services - Instruction	-	-	-	-
Support Services - General Administration	-	-	3,351	(3,351)
Support Services - School Administration	13,606	12,222	8,113	4,109
Total Expenditures	90,019	85,875	85,875	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (12,788)	\$ (12,788)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			\$ (12,788)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (12,788)	

Reconciliation from Budgetary to GAAP Budgetary Basis

<i>Net change in fund balance (Budget Basis)</i>	(12,788)
<i>Accrued Revenues</i>	12,788
<i>Accrued Expenditures</i>	-
<i>Net change in fund balances (GAAP Basis)</i>	-

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 26150 - BP Education Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources	\$ -	\$ 96,566	\$ 42,343	\$ (54,223)
Total Revenue	<u>-</u>	<u>96,566</u>	<u>42,343</u>	<u>(54,223)</u>
Expenditures:				
Education, Current:				
Instruction	-	39,996	8,265	31,731
Support Services - General Administration	-	56,570	13,732	42,838
Total Expenditures	<u>-</u>	<u>96,566</u>	<u>21,997</u>	<u>74,569</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,346</u>	<u>\$ 20,346</u>
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>-</u>	<u>-</u>		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			<u>\$ 20,346</u>	
Fund Balances - beginning of year (adjusted)			<u>54,223</u>	
Fund Balances - end of year			<u>\$ 74,569</u>	

Reconciliation from Budgetary to GAAP Budgetary Basis

<i>Net change in fund balance (Budget Basis)</i>	20,346
<i>Accrued Revenues</i>	-
<i>Accrued Expenditures</i>	<u>(1,334)</u>
<i>Net change in fund balances (GAAP Basis)</i>	<u>\$ 19,012</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 26200 - Conoco Phillips Grant - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources	\$ -	\$ 17,125	\$ 17,125	\$ -
Total Revenue	<u>-</u>	<u>17,125</u>	<u>17,125</u>	<u>-</u>
Expenditures:				
Education, Current:				
Instruction	-	28,813	25,087	3,726
Support Services - Students	-	-	-	-
Total Expenditures	<u>-</u>	<u>28,813</u>	<u>25,087</u>	<u>3,726</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (11,688)</u>	<u>\$ (7,962)</u>	<u>\$ 3,726</u>
Other Financing Sources (Uses)				
Cash budgeted from prior year	<u>-</u>	<u>11,688</u>		
Operating Transfers and Adjustments			<u>(1)</u>	
Net change in fund balances (Budget Basis)			<u>\$ (7,963)</u>	
Fund Balances - beginning of year (adjusted)			<u>11,688</u>	
Fund Balances - end of year			<u>\$ 3,725</u>	

Reconciliation from Budgetary to GAAP Budgetary Basis

<i>Net change in fund balance (Budget Basis)</i>	<i>(7,963)</i>
<i>Accrued Revenues</i>	<i>(17,125)</i>
<i>Accrued Expenditures</i>	<i>(6,270)</i>
<i>Net change in fund balances (GAAP Basis)</i>	<u>\$ (31,358)</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27103 - Dual Credit Instructional Materials - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	7,000	7,580	580
Total Revenues	-	7,000	7,580	580
Expenditures:				
Education, Current:				
Instruction	-	7,000	7,000	-
Total Expenditures	-	7,000	7,000	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 580	\$ 580
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 580	
Fund Balances - beginning of year (adjusted)			(580)	
Fund Balances - end of year			-	
 <u>Reconciliation from Budgetary to GAAP Budgetary Basis</u> 				
<i>Net change in fund balance (Budget Basis)</i>			580	
<i>Accrued Revenues</i>			(580)	
<i>Accrued Expenditures</i>			(244)	
Net change in fund balances (GAAP Basis)			\$ (244)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27107 - 2012 G.O. Bond Student Library - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	26,430	26,430	-	(26,430)
Total Revenues	26,430	26,430	-	(26,430)
Expenditures:				
Education, Current:				
Support Services - Instruction	26,430	26,430	26,264	166
Total Expenditures	26,430	26,430	26,264	166
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (26,264)	\$ (26,264)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (26,264)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (26,264)	
 <u>Reconciliation from Budgetary to GAAP Budgetary Basis</u> 				
<i>Net change in fund balance (Budget Basis)</i>			(26,264)	
<i>Accrued Revenues</i>			26,264	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP Basis)</i>			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27113 - Instructional Material Adoption Support - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	173,378	314,918	141,540
Total Revenues	-	173,378	314,918	141,540
Expenditures:				
Education, Current:				
Support Services - General Administration	-	14,007	-	14,007
Support Services - Central Services	-	159,371	135,923	23,448
Total Expenditures	-	173,378	135,923	37,455
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 178,995	\$ 104,085
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments	-	-	-	
Net change in fund balances (Budget Basis)			\$ 178,995	
Fund Balances - beginning of year (adjusted)			(160,950)	
Fund Balances - end of year			\$ 18,045	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			178,995	
<i>Accrued Revenues</i>			(180,251)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ (1,256)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27114 - NM Reads To Lead K-3 - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	130,000	130,000	140,872	10,872
Total Revenues	130,000	130,000	140,872	10,872
Expenditures:				
Education, Current:				
Instruction	18,462	46,042	46,042	-
Support Services - Instruction	111,538	83,958	83,931	27
Support Services - General Administration	-	-	27	(27)
Total Expenditures	130,000	130,000	130,000	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 10,872	\$ 10,845
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 10,872	
Fund Balances - beginning of year (adjusted)			(46,294)	
Fund Balances - end of year			\$ (35,422)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			10,872	
<i>Accrued Revenues</i>			(10,872)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27150 - Indian Education Act - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	25,000	38,529	13,529
Total Revenues	-	25,000	38,529	13,529
Expenditures:				
Education, Current:				
Instruction	-	5,969	5,616	353
Support Services - Student	-	18,056	17,900	156
Support Services - General Administration	-	975	955	20
Support Services - Central Services	-	-	-	-
Total Expenditures	-	25,000	24,471	529
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 14,058	\$ 14,058
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 14,058	
Fund Balances - beginning of year (adjusted)			(24,986)	
Fund Balances - end of year			\$ (10,928)	
 <u>Reconciliation from Budgetary to GAAP Budgetary Basis</u> 				
<i>Net change in fund balance (Budget Basis)</i>			14,058	
<i>Accrued Revenues</i>			(14,058)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27178 - 2013 School Bus Purchase - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	87,377	-	(87,377)
Total Revenues	-	87,377	-	(87,377)
Expenditures:				
Education, Current:				
Student Transportation	-	87,377	87,376	1
Total Expenditures	-	87,377	87,376	1
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (87,376)	\$ (87,376)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (87,376)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (87,376)	

Reconciliation from Budgetary to GAAP Budgetary Basis

<i>Net change in fund balance (Budget Basis)</i>	(87,376)
<i>Accrued Revenues</i>	87,376
<i>Accrued Expenditures</i>	-
<i>Net change in fund balances (GAAP Basis)</i>	\$ -

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27181 - STEM Teacher Initiative - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	48,600	35,902	(12,698)
Total Revenues	-	48,600	35,902	(12,698)
Expenditures:				
Education, Current:				
Food Services	-	48,600	48,600	-
Total Expenditures	-	48,600	48,600	-
Revenues Over (Under) Expenditures	\$ -	\$ -	(12,698)	\$ (12,698)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (12,698)	
Fund Balances - beginning of year (adjusted)			(7,562)	
Fund Balances - end of year			\$ (20,260)	
 <u>Reconciliation from Budgetary to GAAP Budgetary Basis</u> 				
<i>Net change in fund balance (Budget Basis)</i>			(12,698)	
<i>Accrued Revenues</i>			12,698	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			-	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27183 - New Mexico Grown Vegetables - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	3,491	-	(3,491)
Total Revenues	-	3,491	-	(3,491)
Expenditures:				
Education, Current:				
Food Services	-	3,491	-	3,491
Total Expenditures	-	3,491	-	3,491
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	-
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ -	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			-	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			-	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP Basis)</i>			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27189 - College Counselor Initiative - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	65,000	32,020	(32,980)
Total Revenues	-	65,000	32,020	(32,980)
Expenditures:				
Education, Current:				
Support Services - Student	-	65,000	52,110	12,890
Total Expenditures	-	65,000	52,110	12,890
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (20,090)	\$ (20,090)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (20,090)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (20,090)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(20,090)	
<i>Accrued Revenues</i>			20,090	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27193 - Parent Advocacy Program - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	-	5,994	5,994
Total Revenues	-	-	5,994	5,994
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	-	-	-	-
Support Services - Central Services	-	-	-	-
Total Expenditures	-	-	-	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ 5,994	\$ 5,994
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			\$ 5,994	
Fund Balances - beginning of year (adjusted)			(5,994)	
Fund Balances - end of year			\$ -	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			5,994	
<i>Accrued Revenues</i>			(5,994)	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 27195 - Teachers Hard to Staff Stipends - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	18,225	7,057	(11,168)
Total Revenues	-	18,225	7,057	(11,168)
Expenditures:				
Education, Current:				
Instruction	-	18,225	18,225	-
Support Services - Instruction	-	-	-	-
Support Services - Central Services	-	-	-	-
Total Expenditures	-	18,225	18,225	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (11,168)	\$ (11,168)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			\$ (11,168)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (11,168)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(11,168)	
<i>Accrued Revenues</i>			11,168	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP Basis)			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 28133 - NM Youth Conservation - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	149,669	113,883	(35,786)
Total Revenues	-	149,669	113,883	(35,786)
Expenditures:				
Education, Current:				
Instruction	-	178,988	144,824	34,164
Total Expenditures	-	178,988	144,824	34,164
Revenues Over (Under) Expenditures	\$ -	\$ (29,319)	\$ (30,941)	\$ (1,622)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	29,319		
Operating Transfers and Adjustments	-	-	-	
Net change in fund balances (Budget Basis)			\$ (30,941)	
Fund Balances - beginning of year (adjusted)			(44,349)	
Fund Balances - end of year			(75,290)	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			(30,941)	
<i>Accrued Revenues</i>			\$ 30,941	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP Basis)</i>			\$ -	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 28144 - Medicaid Support - HSD - Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	170,000	170,000	186,298	16,298
Total Revenues	170,000	170,000	186,298	16,298
Expenditures:				
Education, Current:				
Instruction	-	12,000	9,519	2,481
Support Services - Students	235,979	223,979	151,072	72,907
Support Services - School Administration	181,345	181,345	65,172	116,173
Support Services - Central Services	-	-	17,072	(17,072)
Total Expenditures	417,324	417,324	242,835	174,489
Revenues Over (Under) Expenditures	\$ (247,324)	\$ (247,324)	\$ (56,537)	\$ 190,787
Other Financing Sources (Uses)				
Cash budgeted from prior year	247,324	247,324		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (56,537)	
Fund Balances - beginning of year (adjusted)			242,020	
Fund Balances - end of year			\$ 185,483	

Reconciliation from Budgetary to GAAP Budgetary Basis

<i>Net change in fund balance (Budget Basis)</i>	\$ (56,537)
<i>Accrued Revenues</i>	(2,740)
<i>Accrued Expenditures</i>	272
<i>Net change in fund balances (GAAP Basis)</i>	\$ (59,005)

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 31100 - Bond Building - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources:				
Investment Income	\$ -	\$ -	\$ -	-
Bond Sale	9,228,882	-	-	-
Total Revenues	9,228,882	-	-	-
Expenditures:				
Education, Non-Current:				
Capital Outlay	9,228,882	9,228,882	4,072,711	5,156,171
Total Expenditures	9,228,882	9,228,882	4,072,711	5,156,171
Revenues Over (Under) Expenditures	\$ -	\$ (9,228,882)	\$ (4,072,711)	\$ 5,156,171
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	9,228,882		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			\$ (4,072,711)	
Fund Balances - beginning of year (adjusted)			9,202,726	
Fund Balances - end of year			\$ 5,130,015	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ (4,072,711)	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			(29,444)	
<i>Net change in fund balances (GAAP Basis)</i>			\$ (4,102,155)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources				
State Flow-Through Grant	\$ -	\$ 68,364	\$ 45,563	\$ (22,801)
Total State Sources	-	68,364	45,563	(22,801)
Local Sources				
Ad Valorem Taxes - School District	768,525	768,525	731,550	(36,975)
Oil and Gas Taxes	731,983	731,983	333,775	(398,208)
Insurance Recoveries	-	-	-	-
Intergovernmental Contract Revenue	-	-	-	-
Total Local Sources	1,500,508	1,500,508	1,065,325	(435,183)
Total Revenues	1,500,508	1,568,872	1,110,888	(457,984)
Expenditures:				
Education, Current:				
Support Services - General Administration	5,000	12,000	7,730	4,270
Education, Non-Current:				
Capital Outlay	6,472,333	6,533,697	1,819,939	4,713,758
Total Expenditures	6,477,333	6,545,697	1,827,669	4,718,028
Revenues Over (Under) Expenditures	\$ (4,976,825)	\$ (4,976,825)	\$ (716,781)	\$ 4,260,044
Other Financing Sources (Uses)				
Cash budgeted from prior year	4,976,825	4,976,825		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (716,781)	
Fund Balances - beginning of year (adjusted)			4,914,693	
Fund Balances - end of year			\$ 4,197,912	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ (716,781)	
<i>Accrued Revenues</i>			45,182	
<i>Accrued Expenditures</i>			(12,891)	
Net change in fund balances (GAAP Basis)			\$ (684,490)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 41000 - Debt Service Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Local Sources				
Ad Valorem Taxes - School District	\$ 2,290,345	\$ 2,290,345	\$ 3,368,168	\$ 1,077,823
Oil and Gas Taxes	3,435,519	3,435,519	1,650,254	(1,785,265)
Investment Income	-	-	-	-
Special Revenue Bond Proceeds	-	-	-	-
Premium/Discount on Issuance of Bonds	-	-	-	-
Total Revenues	5,725,864	5,725,864	5,018,422	(707,442)
Expenditures:				
Education - Current				
Support Services - General Administration	35,000	35,000	33,682	1,318
Debt Service				
Debt Service - Other Services	2,000	2,000	1,983	17
Debt Service Reserve	5,190,274	5,190,274	-	5,190,274
Spec. Rev. Debt Service Reserve	-	-	-	-
Bond Principal Payments	4,500,000	4,500,000	4,500,000	-
Spec. Rev. Bonds Principal Payments	-	-	-	-
Bond Interest Payments	1,225,865	1,225,865	1,265,586	(39,721)
Spec. Rev. Bonds Interest Payments	-	-	-	-
Total Expenditures	10,953,139	10,953,139	5,801,251	5,151,888
Revenues Over (Under) Expenditures	\$ (5,227,275)	\$ (5,227,275)	\$ (782,829)	\$ (5,859,330)
Other Financing Sources (Uses)				
Cash budgeted from prior year	5,227,275	5,227,275		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (782,829)	
Fund Balances - beginning of year (adjusted)			5,810,809	
Fund Balances - end of year			\$ 5,027,980	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ (782,829)	
<i>Accrued Revenues</i>			(34,608)	
<i>Accrued Expenditures</i>			-	
<i>Net change in fund balances (GAAP Basis)</i>			\$ (817,437)	

GENERAL FUND

STATE OF NEW MEXICO

Aztec Municipal Schools

General Fund

Combining Balance Sheet

As of June 30, 2016

	<u>Fund 11000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	
	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>Total General Fund</u>
ASSETS				
Cash	\$ 1,948,061	\$ 45,507	\$ 294,255	\$ 2,287,823
Investments	2,000,000	-	-	2,000,000
Property taxes receivable	14,295	-	-	14,295
Other taxes receivable	8,053	-	-	8,053
Due from grantor	-	-	-	-
Due from other funds	724,317	-	-	724,317
Other receivable	111,979	-	-	111,979
Total assets	<u>\$ 4,806,705</u>	<u>\$ 45,507</u>	<u>\$ 294,255</u>	<u>\$ 5,146,467</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 50,366	\$ 1,393	\$ -	\$ 51,759
Accrued salaries and benefits	553,815	46,136	-	599,951
Total liabilities	<u>604,181</u>	<u>47,529</u>	<u>-</u>	<u>651,710</u>
Deferred inflows of resources				
Unavailable Revenue	<u>11,103</u>	<u>-</u>	<u>-</u>	<u>11,103</u>
Total deferred inflows of resources	<u>11,103</u>	<u>-</u>	<u>-</u>	<u>11,103</u>
Fund balances				
Nonspendable				
Spendable				
Restricted for:				
Education	-	-	294,255	294,255
Committed for:				
Emergency Reserves	1,200,000	-	-	1,200,000
Subsequent years expenditures	2,991,421	(2,022)	-	2,989,399
Unassigned	-	-	-	-
Total fund balance	<u>4,191,421</u>	<u>(2,022)</u>	<u>294,255</u>	<u>4,483,654</u>
Total liabilities, deferred resources and fund balance	<u>\$ 4,806,705</u>	<u>\$ 45,507</u>	<u>\$ 294,255</u>	<u>\$ 5,146,467</u>

STATE OF NEW MEXICO
Aztec Municipal Schools General Fund
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2016

	<u>Fund 11000</u>	<u>Fund 13000</u>	<u>Fund 14000</u>	<u>Total</u>
	<u>Operational</u>	<u>Transportation</u>	<u>Instructional Materials</u>	<u>General Fund</u>
Revenues:				
Federal grants	\$ 104,407	\$ -	\$ -	104,407
State grants	21,322,909	903,588	216,959	22,443,456
Local sources:				
Property Taxes	136,444	-	-	136,444
Oil and Gas Taxes	105,107	-	-	105,107
Local grants	-	-	-	-
Charges for services	171,020	-	-	171,020
Investment income	53,146	-	-	53,146
Miscellaneous	1,900	-	564	2,464
Total revenues	<u>21,894,933</u>	<u>903,588</u>	<u>217,523</u>	<u>23,016,044</u>
Expenditures:				
Current:				
Instruction	13,253,748	-	22,168	13,275,916
Support services - students	1,966,000	-	-	1,966,000
Support services - instruction	337,927	-	-	337,927
Support services - general administration	316,640	-	-	316,640
Support services - school administration	1,764,254	-	-	1,764,254
Central services	922,591	-	-	922,591
Operations and maintenance of plant	2,787,879	-	-	2,787,879
Student transportation	207,446	904,339	-	1,111,785
Other support services	2,026	-	-	2,026
Total expenditures	<u>21,558,511</u>	<u>904,339</u>	<u>22,168</u>	<u>22,485,018</u>
Revenues over (under) expenditures	<u>336,422</u>	<u>(751)</u>	<u>195,355</u>	<u>531,026</u>
Other financing sources (Uses):				
Operating transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Net Change in fund balance	336,422	(751)	195,355	531,026
Fund balance - beginning of year	<u>3,854,999</u>	<u>(1,271)</u>	<u>98,900</u>	<u>3,952,628</u>
Fund balance - end of year	<u>\$ 4,191,421</u>	<u>\$ (2,022)</u>	<u>\$ 294,255</u>	<u>\$ 4,483,654</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 11000 - Operational
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
Federal Sources:				
Indirect Costs - Federal Direct Grants	\$ 1,000	\$ 1,000	\$ 4,282	\$ 3,282
Indirect Costs - Federal Flowthrough Grants	40,000	40,000	53,378	13,378
Fees - Governmental Revenues	43,000	43,000	46,747	3,747
	84,000	84,000	104,407	20,407
State Sources:				
State Equalization Guarantee	21,173,240	21,232,470	21,293,621	61,151
Charter School Administration Revenue	20,000	20,000	29,222	9,222
Ingovernmental Contract Revenue	20,000	20,000	24,562	4,562
	21,213,240	21,272,470	21,348,360	75,890
Local Sources:				
Ad Valorem Taxes - School District	141,691	141,691	141,798	107
Oil and Gas Taxes	182,996	182,996	105,107	(77,889)
Investment Income	5,000	5,000	26,912	21,912
Fees - Educational	8,400	8,400	17,801	9,401
Fees - Users	-	-	-	-
Royalties	1,800	1,800	212	(1,588)
Rentals	1,800	1,800	3,515	1,715
Contributions from Private Sources	-	-	419	419
Access Board (E-rate)	45,451	45,451	49,950	4,499
Insurance Recoveries	-	-	697	697
Refunds of Prior Year's Expenditures	-	-	916	916
Sale of District Assets	-	-	287	287
	387,138	387,138	347,614	(39,524)
Total Revenues	21,684,378	21,743,608	21,800,381	56,773
Expenditures:				
Education, Current:				
Instruction	15,538,837	15,596,494	13,251,608	2,344,886
Support Services - Students	2,131,456	2,131,747	1,972,611	159,136
Support Services - Instruction	309,677	309,677	337,941	(28,264)
Support Services - General Administration	324,737	324,737	323,972	765
Support Services - School Administration	2,901,213	2,902,495	1,764,073	1,138,422
Support Services - Central Services	950,342	950,342	921,097	29,245
Operations and Maintenance of Plant	2,772,610	2,772,610	2,781,229	(8,619)
Student Transportation	215,506	215,506	205,080	10,426
Other Support Services	40,000	40,000	12,181	27,819
Capital Outlay	-	-	-	-
Total Expenditures	25,184,378	25,243,608	21,569,792	3,673,816
Revenues Over (Under) Expenditures	\$ (3,500,000)	\$ (3,500,000)	\$ 230,589	\$ 3,730,589
Other Financing Sources (Uses)				
Cash budgeted from prior year	3,500,000	3,500,000		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 230,589	
Fund Balances - beginning of year (adjusted)			3,840,254	
Fund Balances - end of year			\$ 4,070,843	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			230,589	
<i>Accrued Revenues</i>			94,552	
<i>Accrued Expenditures</i>			11,281	
Net change in fund balances (GAAP Basis)			\$ 336,422	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 13000 - Transportation
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources:				
Transportation Distribution	\$ -	\$ 903,588	\$ 903,588	\$ -
Transportation Distribution - Supplemental	-	-	-	-
Transportation Distribution	910,169	-	-	-
	910,169	903,588	903,588	-
Local Sources:				
Sale of District Assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Prior Year Voided Checks	-	-	-	-
Total Revenues	910,169	903,588	903,588	-
Expenditures:				
Education, Current:				
Student Transportation	910,169	903,588	903,588	-
Total Expenditures	910,169	903,588	903,588	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-	-	-
Operating Transfers and Adjustments	-	-	-	-
Net change in fund balances (Budget Basis)			\$ -	
Fund Balances - beginning of year (adjusted)			1	
Fund Balances - end of year			\$ 1	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ -	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			(751)	
<i>Net change in fund balances (GAAP Basis)</i>			\$ (751)	

STATE OF NEW MEXICO
Aztec Municipal Schools
Fund 14000 - Instructional Materials
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance
	Original	Final		Favorable (Unfavorable) Final to Actual
Revenues:				
State Sources:				
Instructional Materials - Adopted 50%	\$ 86,180	\$ 108,479	\$ 108,480	\$ 1
Instructional Materials - Other 50%	86,180	108,480	108,479	(1)
State Flow-through	-	-	-	-
	<u>172,360</u>	<u>216,959</u>	<u>216,959</u>	<u>-</u>
Local Sources:				
Insurance/Individual Recoveries	-	-	564	564
Total Revenues	<u>172,360</u>	<u>216,959</u>	<u>217,523</u>	<u>564</u>
Expenditures:				
Education, Current:				
Instruction	172,360	317,363	23,672	293,691
Support Services - Instruction	-	-	-	-
Total Expenditures	<u>172,360</u>	<u>317,363</u>	<u>23,672</u>	<u>293,691</u>
Revenues Over (Under) Expenditures	\$ -	\$ (100,404)	<u>193,851</u>	<u>\$ 294,255</u>
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	100,404		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 193,851	
Fund Balances - beginning of year (adjusted)			100,404	
Fund Balances - end of year			<u>\$ 294,255</u>	
<u>Reconciliation from Budgetary to GAAP Budgetary Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 193,851	
<i>Accrued Revenues</i>			-	
<i>Accrued Expenditures</i>			1,504	
<i>Net change in fund balances (GAAP Basis)</i>			<u>\$ 195,355</u>	

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MOSAIC ACADEMY CHARTER SCHOOL

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Balance Sheet
As of June 30, 2016

	GENERAL		SPECIAL REVENUE			
	Fund 11000	Fund 14000	Fund 24106	Fund 27107 2012	Fund 27114	Fund 27115
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	G.O. Bond Student Library Fund	New Mexico Leads to Read K-3	Robot Systems for Math Competitions
Assets:						
Cash	\$ 270,473	\$ 24,538	\$ -	\$ -	\$ -	\$ -
Property Taxes Receivable	-	-	-	-	-	-
Other Taxes receivable	-	-	-	-	-	-
Due from grantor	-	-	17,654	5,963	16,722	1,245
Due from other funds	67,872	-	-	-	-	-
Other receivable	2,192	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 340,537	\$ 24,538	\$ 17,654	\$ 5,963	\$ 16,722	\$ 1,245
Liabilities:						
Accounts Payable	\$ 2,184	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	40,322	-	18	-	7	-
Due to Other Funds	-	-	17,636	5,963	16,715	1,245
Total Liabilities	42,506	-	17,654	5,963	16,722	1,245
Deferred inflows of resources						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Spendable						
Restricted for:						
Education	-	24,538	-	-	-	-
Capital Acquisitions and Improvements	68,087	-	-	-	-	-
Committed for:						
Emergency Reserves	15,000	-	-	-	-	-
Subsequent years expenditures	214,944	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balance	298,031	24,538	-	-	-	-
Total Liabilities, Deferred inflow of resources and Fund Balance	\$ 340,537	\$ 24,538	\$ 17,654	\$ 5,963	\$ 16,722	\$ 1,245

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Balance Sheet
As of June 30, 2016

	<u>CAPITAL PROJECTS</u>		
	<u>Fund 31200</u>	<u>Fund 31700 Capital</u>	
	<u>Public School Capital Outlay</u>	<u>Improvements SB-9</u>	<u>Total</u>
Assets:			
Cash	\$ -	146,192	\$ 441,203
Property Taxes Receivable	-	4,029	4,029
Other Taxes receivable	-	1,735	1,735
Due from grantor	26,313	4,038	71,935
Due from other funds	-	-	67,872
Other receivable	-	-	2,192
Inventory	-	-	-
Total Assets	<u>\$ 26,313</u>	<u>155,994</u>	<u>\$ 588,966</u>
Liabilities:			
Accounts Payable	\$ -	-	\$ 2,184
Accrued Salaries and Benefits	-	-	40,347
Due to Other Funds	26,313	-	67,872
Total Liabilities	<u>26,313</u>	<u>-</u>	<u>110,403</u>
Deferred inflows of resources			
Unavailable revenue	-	3,387	3,387
Total deferred inflow of resources	<u>-</u>	<u>3,387</u>	<u>3,387</u>
Fund Balances			
Nonspendable	-	-	-
Inventory	-	-	-
Spendable			
Restricted for:			
Education	-	-	24,538
Capital Acquisitions and Improvements	-	152,607	220,694
Committed for:			
Emergency Reserves	-	-	15,000
Subsequent years expenditures	-	-	214,944
Unassigned	-	-	-
Total Fund Balance	<u>-</u>	<u>152,607</u>	<u>475,176</u>
Total Liabilities, Deferred inflow of resources and Fund Balance	<u>\$ 26,313</u>	<u>155,994</u>	<u>\$ 588,966</u>

The accompanying notes are an integral part of these financial statements

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STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Reconciliation of the Balance Sheet to the
Statement of Net Position
As of June 30, 2016

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

Total fund balances - governmental funds	\$	475,176
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
The cost of capital assets is		354,802
Accumulated depreciation is		<u>(172,106)</u>
		182,696

Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in funds

Deferred outflows of resources related to employer contributions subsequent to measurement date	119,992	
Deferred outflows of resources related to change in proportion	14,940	
Deferred outflows of resources related to change in assumptions	65,099	
Deferred inflows of resources related to actuarial experience	(35,088)	
Deferred inflows of resources related to investment experience	<u>(8,519)</u>	
		156,424

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:

Pension Liability (GASB 68)		(1,892,648)
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Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as unavailable revenues on the balance sheet.

Delinquent property taxes		3,387
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Total net position - governmental activities	\$	<u><u>(1,074,965)</u></u>
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STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	GENERAL		SPECIAL REVENUE	
	Fund 11000	Fund 14000	Fund 24106	Fund 27107
	Operational Fund	Instructional Materials Fund	Entitlement IDEA-B	2012 G.O. Bond Student Library Fund
Revenues:				
Federal Grants	\$ -	\$ -	\$ 56,230	\$ -
State Grants	1,316,721	12,867	-	5,963
Local Sources:				
Property Taxes	-	-	-	-
Charges for Services	2,194	-	-	-
Miscellaneous	2,479	-	-	-
Total Revenues	<u>1,321,394</u>	<u>12,867</u>	<u>56,230</u>	<u>5,963</u>
Expenditures:				
Current:				
Instruction	868,417	8,108	53,151	-
Support Services - Students	63,418	-	885	-
Support Services - Instruction	9,651	-	-	5,963
Support Services - General Administration	11,524	-	2,194	-
Support Services - School Administration	223,144	-	-	-
Central Services	72,232	-	-	-
Operations and Maintenance of Plant	108,395	-	-	-
Student Transportation	-	-	-	-
Food Services	3,446	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>1,360,227</u>	<u>8,108</u>	<u>56,230</u>	<u>5,963</u>
Revenues Over (Under) Expenditures	<u>(38,833)</u>	<u>4,759</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(38,833)	4,759	-	-
Fund Balance - Beginning of Year	336,864	19,778	-	-
Adjustments and Residual Equity Transfers	-	1	-	-
Fund Balance - Beginning of Year, as Restated	<u>336,864</u>	<u>19,779</u>	<u>-</u>	<u>-</u>
Fund Balance - End of Year	<u>\$ 298,031</u>	<u>\$ 24,538</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	SPECIAL REVENUE		CAPITAL FUNDS		TOTAL
	Fund 27114	Fund 27115	Fund 31200	Fund 31700	
	New Mexico Leads to Read K-3	Robot Systems for Math Competitions	Public School Capital Outlay	Capital Improvements SB-9	
Revenues:					
Federal Grants	\$ -	\$ -	\$ -	\$ -	\$ 56,230
State Grants	49,654	2,995	111,849	7,916	1,507,965
Local Sources:					
Property Taxes	-	-	-	43,758	43,758
Charges for Services	-	-	-	-	2,194
Miscellaneous	-	-	-	-	2,479
Total Revenues	<u>49,654</u>	<u>2,995</u>	<u>111,849</u>	<u>51,674</u>	<u>1,612,626</u>
Expenditures:					
Current:					
Instruction	45,193	1,245	-	-	976,114
Support Services - Students	-	-	-	-	64,303
Support Services - Instruction	4,461	-	-	-	20,075
Support Services - General Administration	-	-	-	419	14,137
Support Services - School Administration	-	-	-	-	223,144
Central Services	-	-	-	-	72,232
Operations and Maintenance of Plant	-	-	-	-	108,395
Student Transportation	-	-	-	-	-
Food Services	-	-	-	-	3,446
Capital Outlay	-	-	111,849	25,871	137,720
Total Expenditures	<u>49,654</u>	<u>1,245</u>	<u>111,849</u>	<u>26,290</u>	<u>1,619,566</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>1,750</u>	<u>-</u>	<u>25,384</u>	<u>(6,940)</u>
Net Change in Fund Balance	-	1,750	-	112,037	79,713
Fund Balance - Beginning of Year	<u>-</u>	<u>(1,750)</u>	<u>-</u>	<u>40,570</u>	<u>395,462</u>
Adjustments and Residual Equity Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>
Fund Balance - Beginning of Year, as Restated	<u>-</u>	<u>(1,750)</u>	<u>-</u>	<u>40,570</u>	<u>395,463</u>
Fund Balance - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,607</u>	<u>\$ 475,176</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2016

Total net change in fund balances - governmental funds	\$	79,713
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Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those assets are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	<u>(18,373)</u>	
Excess of capital outlays over depreciation expense		(18,373)

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

Lease purchase principal payments		1,905
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Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense

Allocated Pension Expense	(149,498)	
Pension contributions by employer	<u>119,992</u>	
		(29,506)

Because some revenues will not be collected for several months after the fiscal year-end, they are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year were:

Property taxes		(2,332)
Change in net position of governmental activities	\$	<u><u>31,407</u></u>

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Statement of Fiduciary Assets and Liabilities - Agency Funds
 As of June 30, 2016

Assets	Balance June 30, 2016
Cash and Investments	\$ <u>17,121</u>
Total assets	\$ <u><u>17,121</u></u>
Liabilities	
Due to Student Organizations	\$ <u>17,121</u>
Total liabilities	\$ <u><u>17,121</u></u>

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 11000 - Operational Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Federal Sources:				
Indirect Costs - Federal Direct Grants	\$ -	\$ -	\$ -	-
Indirect Costs - Federal Flowthrough Grants	-	-	2,194	2,194
	-	-	2,194	2,194
State Sources:				
State Equalization Guarantee	1,313,473	1,316,734	1,314,384	(2,350)
Total State Sources	1,313,473	1,316,734	1,314,384	(2,350)
Local Sources:				
Investment Income	-	-	-	-
Fees - Activities	-	-	-	-
Fees - Educational	-	-	-	-
Fees - Users	-	-	-	-
Fees - Summer School	-	-	-	-
Royalties	-	-	-	-
Refunds of Prior Year's Expenditures	-	-	287	287
Rentals	-	-	-	-
Contributions from Private Sources	-	-	-	-
Insurance Recoveries	-	-	-	-
Sale of District Assets	-	-	-	-
Total Local Sources	-	-	287	287
Total Revenues	1,313,473	1,316,734	1,316,865	131
Expenditures:				
Education, Current:				
Instruction	878,114	906,507	868,417	38,090
Support Services - Students	86,204	89,204	63,418	25,786
Support Services - Instruction	25,200	27,198	9,651	17,547
Support Services - General Administration	25,575	25,575	11,524	14,051
Support Services - School Administration	266,692	265,151	222,924	42,227
Support Services - Central Services	85,649	86,156	72,232	13,924
Operations and Maintenance of Plant	226,792	236,057	108,544	127,513
Student Transportation	1,000	2,200	-	2,200
Other Support Services	15,000	15,000	-	15,000
Food Services	5,000	5,000	3,446	1,554
Community Services	-	-	-	-
Education, Non-Current:				
Capital Outlay	-	-	-	-
Total Expenditures	1,615,226	1,658,048	1,360,156	297,892
Revenues Over (Under) Expenditures	\$ (301,753)	\$ (341,314)	\$ (43,291)	\$ 298,023
Other Financing Sources (Uses)				
Cash budgeted from prior year	301,753	341,314		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			\$ (43,291)	
Fund Balances - beginning of year (adjusted)			341,314	
Fund Balances - end of year			\$ 298,023	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			(43,291)	
Accrued Revenues			4,529	
Accrued Expenditures			(71)	
Net change in fund balances (GAAP basis)			(38,833)	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 14000 - Instructional Materials Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
State Sources:				
Instructional Materials - Credit 50%	\$ -	\$ -	\$ -	\$ -
Instructional Materials - Cash 50%	9,959	12,867	11,186	(1,681)
Library Materials	-	-	1,681	1,681
	9,959	12,867	12,867	-
Local Sources:				
Insurance/Individual Recoveries	-	-	-	-
Total Revenues	9,959	12,867	12,867	-
Expenditures:				
Education, Current:				
Instruction	29,875	32,645	8,108	24,537
Support Services - Instruction	-	-	-	-
Total Expenditures	29,875	32,645	8,108	24,537
Revenues Over (Under) Expenditures	\$ (19,916)	\$ (19,778)	4,759	\$ 24,537
Other Financing Sources (Uses)				
Cash budgeted from prior year	19,916	19,778		
Operating Transfers and Adjustments				
Net change in fund balances (Budget Basis)			\$ 4,759	
Fund Balances - beginning of year (adjusted)			19,778	
Fund Balances - end of year			\$ 24,537	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			\$ 4,759	
Accrued Revenues			-	
Accrued Expenditures			-	
Net change in fund balances (GAAP basis)			\$ 4,759	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Budget and Actual (Non-GAAP Basis)
 Fund 24106 - Entitlement IDEA-B - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -
Flow-Through Grants - District to Charter	57,708	57,708	38,576	(19,132)
Total Revenues	57,708	57,708	38,576	(19,132)
Expenditures:				
Education, Current:				
Instruction	55,222	54,193	53,151	1,042
Support Services - Students	-	1,038	885	153
Support Services - General Administration	2,486	2,477	2,194	283
Total Expenditures	57,708	57,708	56,230	1,478
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (17,654)	\$ (17,654)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (17,654)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (17,654)	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			\$ (17,654)	
Accrued Revenues			17,654	
Accrued Expenditures			-	
Net change in fund balances (GAAP basis)			\$ -	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 27107 - 2012 G.O. Bond Student Library Fund - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -
State Sources	6,705	6,705	-	(6,705)
Total Revenues	6,705	6,705	-	(6,705)
Expenditures:				
Education, Current:				
Instruction	-	-	-	-
Support Services - Instruction	6,705	6,705	5,963	742
Total Expenditures	6,705	6,705	5,963	742
Revenues Over (Under) Expenditures	\$ -	\$ -	(5,963)	\$ (5,963)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			\$ -	
Net change in fund balances (Budget Basis)			(5,963)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (5,963)	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ (5,963)	
<i>Accrued Revenues</i>			5,963	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			\$ -	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 27114 - New Mexico Leads to Read K-3 - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	\$ -
State Sources	50,000	50,000	32,932	(17,068)
Total Revenues	50,000	50,000	32,932	(17,068)
Expenditures:				
Education, Current:				
Instruction	45,200	45,200	45,193	7
Support Services - Instruction	4,800	4,800	4,461	339
Total Expenditures	50,000	50,000	49,654	346
Revenues Over (Under) Expenditures	\$ -	\$ -	(16,722)	\$ (16,722)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (16,722)	
Fund Balances - beginning of year (adjusted)			-	
Fund Balances - end of year			\$ (16,722)	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ (16,722)	
<i>Accrued Revenues</i>			16,722	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			\$ -	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 27115 - Robot Systems for Math Competitions - Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Sources	-	1,245	1,750	505
Total Revenues	-	1,245	1,750	505
Expenditures:				
Education, Current:				
Instruction	-	1,245	1,245	-
Support Services - Instruction	-	-	-	-
Total Expenditures	-	1,245	1,245	-
Revenues Over (Under) Expenditures	\$ -	\$ -	505	505
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 505	
Fund Balances - beginning of year (adjusted)			(1,750)	
Fund Balances - end of year			\$ (1,245)	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
<i>Net change in fund balance (Budget Basis)</i>			\$ 505	
<i>Accrued Revenues</i>			1,245	
<i>Accrued Expenditures</i>			-	
Net change in fund balances (GAAP basis)			\$ 1,750	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 31200 - Public School Capital Outlay - Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
Local Sources:				
Prior Year Voided Checks	\$ -	\$ -	\$ -	-
State Flow-Through Grant	-	111,849	109,809	(2,040)
	-	111,849	109,809	(2,040)
Expenditures:				
Education, Non-Current:				
Capital Outlay	-	111,849	111,849	-
Total Expenditures	-	111,849	111,849	-
Revenues Over (Under) Expenditures	\$ -	\$ -	\$ (2,040)	(2,040)
Other Financing Sources (Uses)				
Cash budgeted from prior year	-	-		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ (2,040)	
Fund Balances - beginning of year (adjusted)			(24,273)	
Fund Balances - end of year			\$ (26,313)	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			\$ (2,040)	
Accrued Revenues			2,040	
Accrued Expenditures			-	
Net change in fund balances (GAAP basis)			\$ -	

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Mosaic Academy Charter School
 Fund 31700 - Capital Improvements SB-9 - Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Non-GAAP Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variances
	Original	Final		Final to Actual
Revenues:				
State Sources				
State Flow-Through Grant	\$ -	\$ 4,038	\$ -	(4,038)
State Flow-Through Grant	-	-	3,878	3,878
	-	4,038	3,878	(160)
Local Sources				
Ad Valorem Taxes - School District	3,839	81,628	41,884	(39,744)
Oil and Gas Taxes	-	-	86,653	86,653
Investment Income	-	-	-	-
	3,839	81,628	128,537	46,909
Total Revenues	3,839	85,666	132,415	46,749
Expenditures:				
Education, Current:				
Support Services - General Administration	582	1,000	419	581
Education, Non-Current:				
Capital Outlay	74,752	124,732	25,871	98,861
Total Expenditures	75,334	125,732	26,290	99,442
Revenues Over (Under) Expenditures	\$ (71,495)	\$ (40,066)	106,125	146,191
Other Financing Sources (Uses)				
Cash budgeted from prior year	71,495	40,066		
Operating Transfers and Adjustments			-	
Net change in fund balances (Budget Basis)			\$ 106,125	
Fund Balances - beginning of year (adjusted)			40,067	
Fund Balances - end of year			\$ 146,192	
<u>Reconciliation from Budgetary to GAAP Basis</u>				
Net change in fund balance (Budget Basis)			\$ 106,125	
Accrued Revenues			5,912	
Accrued Expenditures			-	
Net change in fund balances (GAAP basis)			\$ 112,037	

SUPPORTING SCHEDULES

STATE OF NEW MEXICO

Aztec Municipal Schools

Schedule of Deposits

As of June 30, 2016

Primary Government

Account Title	Citizens	Wells Fargo	Total
Payroll Clearing	\$ 749,982	\$ -	\$ 749,982
General Fund	7,014,708	-	7,014,708
Activity Account	385,100	-	385,100
Athletic Account - Imprest	3,258	-	3,258
General Savings/CDS	5,000,000	5,693,226	10,693,226
AP Clearing	-	454,013	454,013
General	-	814,883	814,883
Total Deposits	13,153,048	6,962,122	20,115,170
Reconciling items	(49,001)	(245,628)	(294,629)
Reconciled balance June 30, 2016	\$ <u>13,104,047</u>	\$ <u>6,716,494</u>	\$ <u>19,820,541</u>

Reconciliation to the financial statements

Cash and cash equivalents:

Government-Wide statement of net position	\$ 19,525,112
Fiduciary statement of fiduciary assets and liabilities	295,429
	\$ <u>19,820,541</u>

Component Unit

Account Title	Citizens	Total
Payroll Clearing	\$ 4,654	\$ 4,654
General Fund	417,978	417,978
AP Clearing	44,298	44,298
Total Deposits	466,930	466,930
Reconciling items	(8,606)	(8,606)
Reconciled balance June 30, 2016	\$ <u>458,324</u>	\$ <u>458,324</u>

Reconciliation to the financial statements

Cash and cash equivalents:

Government-Wide statement of net position	\$ 441,203
Fiduciary statement of fiduciary assets and liabilities	17,121
	\$ <u>458,324</u>

STATE OF NEW MEXICO

Aztec Municipal Schools

Cash Reconciliation

For the Year Ended June 30, 2016

	Operational	Transportation	Instructional Materials	Food Services	Athletics	Federal Flowthrough	Federal Direct	Local Grants
Audited Cash and Investments, June 30, 2015	\$ 3,539,903	46,776	100,404	425,806	77,471	-	1,048	65,912
Adjustment to Beginning Cash Balance	350,351	(46,776)	-	(51)	-	(666,381)	(7,292)	-
Adjusted, Audited Cash Balance June 30, 2015	<u>3,890,254</u>	<u>-</u>	<u>100,404</u>	<u>425,755</u>	<u>77,471</u>	<u>(666,381)</u>	<u>(6,244)</u>	<u>65,912</u>
Add:								
2015-2016 Revenues	21,800,381	903,588	217,523	1,325,808	97,048	1,651,132	92,850	59,468
Cash Reclassification of Outstanding Liabilities	551,935	45,479	-	51	-	65,389	1,645	-
Net Loans from Other Funds	-	-	-	-	-	426,273	21,490	-
Operating Transfer In	-	-	-	-	-	-	-	-
Total Cash and Investments Available	<u>26,242,570</u>	<u>949,067</u>	<u>317,927</u>	<u>1,751,614</u>	<u>174,519</u>	<u>1,476,413</u>	<u>109,741</u>	<u>125,380</u>
Less:								
2015-2016 Expenditures	21,569,792	903,587	23,672	1,228,701	110,000	1,476,413	109,741	47,085
Net Loans to Other Funds	724,317	-	-	-	-	-	-	-
Accrued Expenditures	400	(27)	-	-	11	-	-	-
Operating Transfer Out	-	-	-	-	-	-	-	-
Cash and Investments, June 30, 2016	<u>\$ 3,948,061</u>	<u>45,507</u>	<u>294,255</u>	<u>522,913</u>	<u>64,508</u>	<u>-</u>	<u>-</u>	<u>78,295</u>
	State Flowthrough	State Direct	State Direct	Bond Building	Public School Capital Outlay	Capital Improvements	Debt Services	Total
Audited Cash and Investments, June 30, 2015	\$ -	250,193	-	9,202,727	-	4,914,693	5,810,809	24,435,742
Adjustment to Beginning Cash Balance	(246,366)	(52,522)	-	-	-	-	-	(669,037)
Adjusted, Audited Cash Balance June 30, 2015	<u>(246,366)</u>	<u>197,671</u>	<u>-</u>	<u>9,202,727</u>	<u>-</u>	<u>4,914,693</u>	<u>5,810,809</u>	<u>23,766,705</u>
Add:								
2015-2016 Revenues	582,872	300,181	-	-	-	1,110,888	5,018,422	33,160,161
Cash Reclassification of Outstanding Liabilities	8,673	13,711	-	-	-	-	-	686,883
Net Loans from Other Funds	203,220	73,334	-	-	-	-	-	724,317
Operating Transfer In	-	-	-	-	-	-	-	-
Total Cash and Investments Available	<u>548,399</u>	<u>584,897</u>	<u>-</u>	<u>9,202,727</u>	<u>-</u>	<u>6,025,581</u>	<u>10,829,231</u>	<u>58,338,066</u>
Less:								
2015-2016 Expenditures	529,969	387,661	-	4,072,712	-	1,827,669	5,801,251	38,088,253
Net Loans to Other Funds	-	-	-	-	-	-	-	724,317
Refund to Grantor	-	-	-	-	-	-	-	384
Operating Transfer Out	-	-	-	-	-	-	-	-
Cash and Investments, June 30, 2016	<u>\$ 18,430</u>	<u>197,236</u>	<u>-</u>	<u>5,130,015</u>	<u>-</u>	<u>4,197,912</u>	<u>5,027,980</u>	<u>19,525,112</u>

STATE OF NEW MEXICO
Aztec Municipal Schools
Mosaic Academy Charter School
Cash Reconciliation
For the Year Ended June 30, 2016

	Operational	Instructional Materials	Federal Flowthrough	Federal Direct	Local Grants
Adjusted Cash, June 30, 2015	\$ 341,314	19,779	-	-	-
Add:					
2015-2016 Revenues	1,316,865	12,867	38,576	-	-
Reclassification of Held Checks		-		-	-
Net Loans from Other Funds	-	-	-	-	-
Operating Transfer In	-	-	-	-	-
Total Cash Available	<u>1,658,179</u>	<u>32,646</u>	<u>38,576</u>	<u>-</u>	<u>-</u>
Less:					
2015-2016 Expenditures	1,360,156	8,108	56,230	-	-
Net Loans to Other Funds		-	-	-	-
Accrued Expenditures	(40,322)	-	(18)	-	-
Operating Transfer Out		-	-	-	-
Total Cash, June 30, 2016	<u>\$ 338,345</u>	<u>24,538</u>	<u>(17,636)</u>	<u>-</u>	<u>-</u>

	State Flowthrough	Public School Capital Outlay	Capital Improvements	Total
Adjusted Cash, June 30, 2015	\$ (1,750)	(24,273)	40,067	375,137
Add:				
2015-2016 Revenues	34,682	109,809	132,415	1,645,214
Reclassification of Held Checks		-	-	-
Net Loans from Other Funds			-	-
Operating Transfer In		-	-	-
Total Cash and Investments Available	<u>32,932</u>	<u>85,536</u>	<u>172,482</u>	<u>2,020,351</u>
Less:				
2015-2016 Expenditures	56,862	111,849	26,290	1,619,495
Net Loans to Other Funds	-	-	-	-
Accrued Expenditures	(7)	-	-	(40,347)
Operating Transfer Out	-	-	-	-
Total Cash, June 30, 2016	<u>\$ (23,923)</u>	<u>(26,313)</u>	<u>146,192</u>	<u>441,203</u>

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Schedule of Collateral Pledged by Depository for Public Funds
 As of June 30, 2016

Primary Governmental Unit - Aztec Schools

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank				
	FHLB Note	3136A3KN0	\$ 5,411,000	10/25/2040
	FHLB Note	3137AMMY0	4,330,400	06/25/2040
	Total Collateral at Citizens Bank		<u>9,741,400</u>	
Wells Fargo				
	FNMA FNMS 4%	3138AJPV8	3,325,523	10/01/41
	FNMA FNMS 3%	3138NY4S1	874,434	02/01/43
	Total Collateral at Wells Fargo Bank		<u>4,199,957</u>	
	Total Pledged Collateral		<u>\$ 13,941,357</u>	

Component Unit - Mosiac Charter School

<u>Name of Depository</u>	<u>Security Description</u>	<u>CUSIP Number</u>	<u>Market Value</u>	<u>Maturity Date</u>
Citizens Bank	Municipal Bond AAA	098104KA9	\$ 580,000	8/1/2038

The pledged securities associated Citizens State Bank deposits are held at Federal Home Loan Bank, Dallas, Texas

The pledged securities associated Wells Fargo are held at Bank of New York Mellon

STATE OF NEW MEXICO
 Aztec Municipal Schools
 Schedule of Changes in Fiduciary Assets and Liabilities - Agency Funds
 For the Year Ended June 30, 2016

Primary Government

	Balance 7/1/2015	Additions	Deletions	Balance 6/30/2016
District Administration	\$ 68,119	14,336	9,293	\$ 73,162
Vista Nueva High School	2,166	2,243	2,678	1,731
Koogler Middle School	70,538	56,669	72,941	54,266
Aztec High School	131,116	124,574	174,188	81,502
McCoy Elementary	26,033	24,412	20,330	30,115
Park Elementary	32,247	43,552	39,537	36,262
Lydia Rippey Elementary	30,171	14,721	26,501	18,391
	<u>\$ 360,390</u>	<u>280,507</u>	<u>345,468</u>	<u>\$ 295,429</u>

District Agency Funds consolidated by budget authority site

Component Unit

	Balance 7/1/2015	Additions	Deletions	Balance 6/30/2016
School Wide	\$ 6,192	34,022	23,093	\$ 17,121
	<u>\$ 6,192</u>	<u>34,022</u>	<u>23,093</u>	<u>\$ 17,121</u>

COMPLIANCE SECTION

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

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Aztec Municipal Schools
Aztec, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the discretely presented component unit, each major fund, the aggregate remaining fund information and the budgetary comparisons of the general fund and major special revenue fund of Aztec Municipal School (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual fund statements and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated November 8, 2016.

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.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

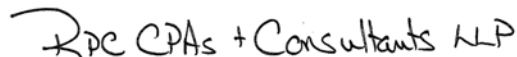
We noted a certain matter that is required to be reported per section 12-6-5 NMSA 1978 that we have described in the accompanying schedule of Section 12-6-5 NMSA 1978 Findings as item NM 2016-001.

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 District'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.



RPC CPAs + Consultants, LLP
Albuquerque, NM
November 8, 2016

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FEDERAL FINANCIAL ASSISTANCE

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

INDEPENDENT AUDITORS' REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
The Board of Education
Aztec Municipal Schools
Aztec, New Mexico

Report on Compliance for Each Major Federal Program

We have audited Aztec Municipal School's (the "District") compliance with the types of compliance requirements described in the *OMB 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

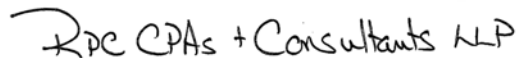
Report on Internal Control Over Compliance

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 the Uniform Guidance, 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



RPC CPAs + Consultants, LLP
Albuquerque, NM
November 8, 2016

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Federal Grantor/Pass Through Grantor/Program Title	Pass Thru Number(s)	Federal C.F.D.A. Number	Expenditures	Funds Provided to Subrecipients	Noncash Assistance
<u>Department of Education</u>					
Passed through from New Mexico					
Public Education Department					
Improving America's Schools Title I	24101	84.010	\$ 469,702	-	-
Individuals With Disabilities Act - Entitlement	24106	84.027	891,871	-	-
Individuals With Disabilities Act - Special Grants to Schools	24108 & 24120	84.027	10,792	-	-
Individuals With Disabilities Act - Preschool	24109	84.173	14,737	-	-
Improving Teacher Quality	24154	84.367A	95,060	-	-
Carl Perkins	24174 & 24176	84.048	2,610	-	-
Direct Assistance					
Indian Education Formula Grant	25184	84.060A	85,875	-	-
Total Department of Education			1,571,259	-	-
<u>Bureau of Indian Affairs</u>					
Direct programs					
Johnson O'Malley	25131	15.130	23,847	-	-
Total Bureau of Indian Affairs			23,847	-	-
<u>Department of Defense</u>					
Direct Assistance					
Army JROTC	11000	12.XXX	46,747	-	-
			46,747	-	-
<u>Department of Agriculture</u>					
National School Lunch Program					
Passed through from New Mexico					
Public Education Department					
Child Nutrition Cluster	21000	10.533 & 10.555	1,329,997	-	105,777
Total Department of Agriculture			1,329,997	-	105,777
Total Expenditures of Federal Awards			\$ 2,971,850	\$ -	\$ 105,777

() Cluster Program

STATE OF NEW MEXICO
Aztec Municipal Schools
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Notes to Schedule of Expenditures of Federal Awards

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Aztec Municipal Schools, New Mexico (District) and is presented on the modified accrual basis of accounting, which is the same basis as was used to prepare the modified accrual basis financial statements. The information in this schedule is presented in accordance with the requirements of *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)

Sub-Recipients

The District did not provide any federal awards to sub-recipients during the year.

Federally Funded Insurance and Federally Funded Loans

The District has no federally funded insurance, and no federally funded loans or loan guarantees.

10% de minimus Indirect Cost Rate

The District did not elect to use the allowed 10% indirect cost rate.

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, 2016 was \$105,777 and is reported in the Schedule under the Department of Agriculture, CFDA # 10.555.

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 2,971,850
Total expenditures funded from other sources	<u>\$35,263,924</u>
Total expenditures	<u>\$38,235,774</u>

STATE OF NEW MEXICO
Aztec Municipal School
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditors’ report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements? | None noted |

Federal Awards:

- | | |
|--|------------|
| 1. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with Section 2CFR section 200.516(a)? | None noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
84.027, 84.173	IDEA B Cluster

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | Yes |

SECTION II – FINANCIAL STATEMENT FINDINGS

Primary Government – none noted

Component Unit – none noted

SECTION III – FEDERAL AWARD FINDINGS

Primary Government – none noted

Component Unit – none noted

SECTION IV – SECTION 12-6-5 NMSA FINDINGS

Primary Government

NM 2016-001 Violation of Internal Control Policy- new hire procedures– Finding that does not rise to the level of significant deficiency

Condition: During our understanding of controls and District policy, we noted one instance in which a District Employee did not have the signed acceptance page related to receipt and acknowledgment of the District's Policies and procedures on file

Criteria: Per District policy and procedures all employees received a copy of the policies and procedures manual and must sign an acceptance form, which is maintained in their personnel file.

Effect: The District may be unable to verify that the employee has received and acknowledged the District's policies and procedures.

Cause: The District was unable to locate the signed form and has not placed the appropriate emphasis on adherence to its own control policies

Auditors' Recommendation: We recommend that the District ensure that all required forms be received and maintained in employee files when hired.

Agency's Responses: The Director of Finance by 06/30/2017, will review the business practice of having employees sign an acknowledgement pertaining to reading and understanding school board policies. The Director of Finance will determine if similar language in the annual employment contract suffices and if so, the district will discontinue the business practice of retaining a separate acknowledgement in the working personnel file.

Component Unit – none noted

SECTION V – PRIOR YEAR AUDIT FINDINGS

Primary Government – none noted

Component Unit – none noted

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STATE OF NEW MEXICO
Aztec Municipal Schools
Other Disclosures
June 30, 2016

OTHER DISCLOSURES

Exit Conference

An exit conference was held on November 8, 2016. In attendance were the following:

Representing Aztec Municipal Schools:

District:

Kirk Carpenter – Superintendent
Judy Englehart – Associate Superintendent
Tania Prokop – Deputy Superintendent
Gary Martinez – Director of Finance
Malinda Fowler – Comptroller
Wayne Rittar – Board President

Mosaic Academy Charter School

Diane Mittler – Principal
Nancy Ross – Contract Business Manager
C.J. Spence – Board Member
Dale Bode – Governing Council

Representing RPC CPAs + Consultants, LLP:

Robert Cordova, CPA – Partner
Alan D. “AJ” Bowers, Jr., CPA – Senior Manager