

STATE OF NEW MEXICO
CIMARRON
MUNICIPAL SCHOOL DISTRICT NO. 3

COMPREHENSIVE FINANCIAL ANNUAL REPORT
AND
SUPPLEMENTAL INFORMATION
YEAR ENDED JUNE 30, 2016
WITH
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL
SOLUTIONS
CERTIFIED PUBLIC ACCOUNTANTS

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INTRODUCTORY SECTION

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OFFICIAL ROSTER
June 30, 2016

BOARD OF EDUCATION

Valerie C. Garcia	Board President
Ronald L. Anderson	Board Vice-President
Bret E. Wier	Board Secretary
Annie Lindsey	Board Member
Ryan W. Gates	Board Member

SCHOOL OFFICIALS

Adan Estrada	Superintendent
Lawana Whitten	Business Manager

AUDIT COMMITTEE

Ronald Anderson	Board President
Bret Wier	Board Secretary
Donna Archuleta	Financial Professional
Adan Estrada	Superintendent
Lawana Whitten	Business Manager

FINANCE COMMITTEE

Ronald Anderson	Board President
Bret Wier	Board Secretary
Donna Archuleta	Financial Professional
Adan Estrada	Superintendent
Lawana Whitten	Business Manager

MORENO VALLEY HIGH SCHOOL

GOVERNING BOARD

Tammy DeVine	President
Debi Coscia	Vice-President
Patrick Espie	Secretary
Kathie Westlaund	Treasurer
Rogers Lanon	Member
Jason Grisham	Member
Saundra Haevischer	Member
Trini Bradley	Member

SCHOOL OFFICIALS

Greg Vincent	Director
Amy Trevino	Business Administrator

MORENO VALLEY EDUCATION FOUNDATION

BOARD OF DIRECTORS

Carl Nelson	President
Johnese Turri	Board Vice-President
Samatha Weeks	Board Secretary
Larry Leahy	Treasurer

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FINANCIAL SECTION
FISCAL YEAR 2016
JULY 1, 2015 THROUGH JUNE 30, 2016

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INDEPENDENT AUDITORS' REPORT

Tim Keller, State Auditor,
The Board of Education, and
The Audit Committee of Cimarron Municipal School District No. 3

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, aggregate discretely presented component units, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue fund of Cimarron Municipal School District No. 3, as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise Cimarron Municipal School District No. 3 basic financial statements as listed in the table of contents. We also have audited the financial statements of each of Cimarron Municipal School District No. 3 nonmajor governmental funds and the budgetary comparisons for the major capital project funds, debt service funds, 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Cimarron Municipal School District No. 3's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Cimarron Municipal School District No. 3, as of June 30, 2016, and the respective changes in financial position thereof 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 of Cimarron Municipal School District No. 3 as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the major capital project funds, debt service funds, all nonmajor funds, and the discretely presented component unit, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Tim Keller, State Auditor,
The Board of Education, and
The Audit Committee of Cimarron Municipal School District No. 3

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Accounting principles generally accepted in the United States of America also require that the Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on Cimarron Municipal School District No. 3's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules required by 2.2.2.NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The Schedule of Vendor Information has 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 it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 2, 2016 on our consideration of the Cimarron Municipal School District No. 3'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 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 Cimarron Municipal School District No. 3's internal control over financial reporting and compliance.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 2, 2016

BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

STATEMENT OF NET POSITION
 June 30, 2016

	Primary Government	Component Units
	<u>Governmental Activities</u>	<u>Moreno Valley High School</u>
Assets		
Cash and cash equivalents	\$ 4,587,356	\$ 346,916
Receivables:		
Delinquent property taxes receivable	308,981	984
Grant	55,594	26,282
Due from other governments	37,447	-
Food inventory	464	-
Non-current:		
Non-depreciable assets	3,721,282	258,571
Depreciable capital assets, net	13,871,850	1,512,681
Total Assets	22,582,974	2,145,434
Deferred Outflows of Resources:		
Contributions to pension subsequent to the measurement date	373,090	69,894
Net change in pension assumptions	205,165	42,263
Net change in proportionate share of pension liability	-	34,059
Total Deferred Outflows of Resources	578,255	146,216
Liabilities		
Accounts payable	502,485	6,425
Accrued salaries	66,033	15,643
Accrued interest	21,984	-
Deposits held for others	35,000	-
Long-term liabilities other than pensions:		
Due within one year	935,000	-
Due in more than one year	2,885,774	-
Aggregate net pension liability	5,964,915	1,228,737
Total Liabilities	10,411,191	1,250,805
Deferred Inflows of Resources		
Advances of federal, state, and local grants	38,392	-
Difference between expected and actual experience	111,364	23,480
Net difference between projected and actual investment earnings on plan investments	32,313	4,832
Net change in proportionate share of pension liability	82,298	74,206
Total Deferred Inflows of Resources	264,367	102,518
Net Position		
Net investment in capital assets	14,033,903	1,771,252
Restricted for:		
Inventories	464	-
Special revenue funds	128,124	1,881
Capital projects	2,550,995	71,042
Debt service	1,005,743	-
Unrestricted	(5,233,558)	(905,848)
Total Net Position	\$ 12,485,671	\$ 938,327

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2016

	General Fund	Title I Fund #24101	Bond Building Fund #31100	Capital Improvements HB-33 Fund #31600	Capital Improvements SB-9 Fund #31700
Assets					
Cash and cash equivalents	\$ 423,847	\$ 37,448	\$ 1,048,636	\$ 20,752	\$ 1,865,789
Receivables:					
Property taxes	28,386	-	-	34,661	130,017
Grant	-	-	-	-	-
Due from other governments	3,289	-	-	-	14,493
Due from other funds	80,102	-	-	-	-
Food inventory	-	-	-	-	-
Total assets	<u>\$ 535,624</u>	<u>\$ 37,448</u>	<u>\$ 1,048,636</u>	<u>\$ 55,413</u>	<u>\$ 2,010,299</u>
 Liabilities, deferred inflows, and fund balance					
Liabilities:					
Accounts payable	\$ 1,074	\$ -	\$ 396,091	\$ -	\$ 12,679
Accrued salaries	54,778	1,723	-	-	-
Due to other funds	-	-	-	-	-
Deposits held for others	-	-	-	-	-
Total liabilities	<u>55,852</u>	<u>1,723</u>	<u>396,091</u>	<u>-</u>	<u>12,679</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	35,725	-	-	-
Delinquent property taxes	<u>26,030</u>	<u>-</u>	<u>-</u>	<u>34,661</u>	<u>119,922</u>
Total deferred inflows of resources	<u>26,030</u>	<u>35,725</u>	<u>-</u>	<u>34,661</u>	<u>119,922</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	-	-
Restricted for:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	652,545	20,752	1,877,698
Debt service	-	-	-	-	-
Unassigned	<u>453,742</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>453,742</u>	<u>-</u>	<u>652,545</u>	<u>20,752</u>	<u>1,877,698</u>
 Total liabilities, deferred inflows of resources, and fund balance	 <u>\$ 535,624</u>	 <u>\$ 37,448</u>	 <u>\$ 1,048,636</u>	 <u>\$ 55,413</u>	 <u>\$ 2,010,299</u>

(cont'd; 1 of 2)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2016

	Ed Technology Equipment Act <u>Fund #31900</u>	Debt Service <u>Fund #41000</u>	Ed Tech Debt Service <u>Fund #43000</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Assets					
Cash and cash equivalents	\$ 51,427	\$ 612,322	\$ 360,755	\$ 166,380	\$ 4,587,356
Receivables:					
Property taxes	-	69,133	46,784	-	308,981
Grant	-	-	-	55,594	55,594
Due from other governments	-	13,080	6,585	-	37,447
Due from other funds	-	-	-	-	80,102
Food inventory	-	-	-	464	464
Total assets	<u>\$ 51,427</u>	<u>\$ 694,535</u>	<u>\$ 414,124</u>	<u>\$ 222,438</u>	<u>\$ 5,069,944</u>
 Liabilities, deferred inflows, and fund balance					
Liabilities:					
Accounts payable	\$ 91,092	\$ -	\$ -	\$ 1,549	\$ 502,485
Accrued salaries	-	-	-	9,532	66,033
Due to other funds	-	-	-	80,102	80,102
Deposits held for others	<u>35,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,000</u>
Total liabilities	<u>126,092</u>	<u>-</u>	<u>-</u>	<u>91,183</u>	<u>683,620</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	-	-	-	2,667	38,392
Delinquent property taxes	<u>-</u>	<u>60,498</u>	<u>42,418</u>	<u>-</u>	<u>283,529</u>
Total deferred inflows of resources	<u>-</u>	<u>60,498</u>	<u>42,418</u>	<u>2,667</u>	<u>321,921</u>
Fund balance:					
Non-spendable:					
Inventories	-	-	-	464	464
Restricted for:					
Special revenue funds	-	-	-	128,124	128,124
Capital projects funds	-	-	-	-	2,550,995
Debt service	-	634,037	371,706	-	1,005,743
Unassigned	<u>(74,665)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>379,077</u>
Total fund balance	<u>(74,665)</u>	<u>634,037</u>	<u>371,706</u>	<u>128,588</u>	<u>4,064,403</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 51,427</u>	<u>\$ 694,535</u>	<u>\$ 414,124</u>	<u>\$ 222,438</u>	<u>\$ 5,069,944</u>

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$	4,064,403
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		29,979,036
Accumulated depreciation		(12,385,904)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		283,529
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		373,090
Net change in pension assumptions		205,165
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Bonds payable		(3,720,000)
Accrued interest payable		(21,984)
Bond premiums		(100,774)
Net pension liability		(5,964,915)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(111,364)
Net difference between projected and actual investment earnings on plan investments		(32,313)
Net change in proportionate share of pension liability		<u>(82,298)</u>
Net position of governmental activities	\$	<u><u>12,485,671</u></u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2016

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Bond Building <u>Fund #31100</u>	Capital Improvements HB-33 <u>Fund #31600</u>
Revenues:				
Taxes:				
Property	\$ 157,478	\$ -	\$ -	\$ 1,333
Oil and gas	13,140	-	-	-
Intergovernmental - federal grants	29,293	74,445	-	-
Intergovernmental - state grants	4,517,766	-	-	-
Contributions - private grants	45,950	-	-	-
Charges for services	61,675	-	-	-
Investment and interest income	2,389	-	6,359	68
Miscellaneous	<u>8,974</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>4,836,665</u>	<u>74,445</u>	<u>6,359</u>	<u>1,401</u>
Expenditures:				
Current:				
Instruction	2,489,805	18,899	-	-
Support services:				
Students	733,393	-	-	-
Instruction	22,957	52,444	-	-
General Administration	259,707	-	-	21
School Administration	215,324	3,102	-	-
Central Services	88,541	-	-	-
Operation & Maintenance of Plant	466,633	-	579,880	-
Student transportation	452,351	-	-	-
Other Support services	908	-	-	-
Food services operations	-	-	-	-
Capital outlay	-	-	2,606,301	35,498
Debt service:				
Principal retirement	-	-	-	-
Bond interest paid	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>4,729,619</u>	<u>74,445</u>	<u>3,186,181</u>	<u>35,519</u>
<i>Excess (deficiency) of revenues over expenditures</i>	107,046	-	(3,179,822)	(34,118)
Other financing uses:				
Refunds	<u>(8)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	107,038	-	(3,179,822)	(34,118)
Fund balance at beginning of the year	<u>346,704</u>	<u>-</u>	<u>3,832,367</u>	<u>54,870</u>
Fund balance (deficit) at end of the year	<u>\$ 453,742</u>	<u>\$ -</u>	<u>\$ 652,545</u>	<u>\$ 20,752</u>

(cont'd; 1 of 3)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2016

	Capital Improvements SB-9 <u>Fund #31700</u>	Ed Technology Equipment Act <u>Fund #31900</u>	Debt Service <u>Fund #41000</u>	Ed Tech Debt Service <u>Fund #43000</u>
Revenues:				
Taxes:				
Property	\$ 678,102	\$ -	\$ 651,731	\$ 319,625
Oil and gas	52,559	-	43,158	20,802
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	4,583	-	-	-
Investment and interest income	-	79	684	740
Miscellaneous	<u>750</u>	<u>200</u>	<u>-</u>	<u>-</u>
Total revenues	<u>735,994</u>	<u>279</u>	<u>695,573</u>	<u>341,167</u>
Expenditures:				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	8,987	3,408	6,848	3,242
School Administration	-	-	-	-
Central Services	-	-	-	-
Operation & Maintenance of Plant	361,500	408,682	-	-
Student transportation	-	-	-	-
Other Support services	-	-	-	-
Food services operations	-	-	-	-
Capital outlay	54,632	-	-	-
Debt service:				
Principal retirement	-	-	630,000	350,000
Bond interest paid	<u>-</u>	<u>-</u>	<u>74,698</u>	<u>7,350</u>
Total expenditures	<u>425,119</u>	<u>412,090</u>	<u>711,546</u>	<u>360,592</u>
<i>Excess (deficiency) of revenues over expenditures</i>	310,875	(411,811)	(15,973)	(19,425)
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	310,875	(411,811)	(15,973)	(19,425)
Fund balance at beginning of the year	<u>1,566,823</u>	<u>337,146</u>	<u>650,010</u>	<u>391,131</u>
Fund balance (deficit) at end of the year	<u>\$ 1,877,698</u>	<u>\$ (74,665)</u>	<u>\$ 634,037</u>	<u>\$ 371,706</u>

(cont'd; 2 of 3)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 2016

	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues:		
Taxes:		
Property	\$ -	\$ 1,808,269
Oil and gas	-	129,659
Intergovernmental - federal grants	462,830	566,568
Intergovernmental - state grants	101,954	4,619,720
Contributions - private grants	45,000	90,950
Charges for services	47,932	114,190
Investment and interest income	87	10,406
Miscellaneous	-	<u>9,924</u>
Total revenues	<u>657,803</u>	<u>7,349,686</u>
Expenditures:		
Current:		
Instruction	253,269	2,761,973
Support services:		
Students	37,698	771,091
Instruction	15,396	90,797
General Administration	995	283,208
School Administration	31,704	250,130
Central Services	58,536	147,077
Operation & Maintenance of Plant	-	1,816,695
Student transportation	-	452,351
Other Support services	-	908
Food services operations	250,594	250,594
Capital outlay	-	2,696,431
Debt service:		
Principal retirement	-	980,000
Bond interest paid	-	<u>82,048</u>
Total expenditures	<u>648,192</u>	<u>10,583,303</u>
<i>Excess (deficiency) of revenues over expenditures</i>	9,611	(3,233,617)
Other financing uses:		
Refunds	-	<u>(8)</u>
<i>Net change in fund balance</i>	9,611	(3,233,625)
Fund balance at beginning of the year	<u>118,977</u>	<u>7,298,028</u>
Fund balance (deficit) at end of the year	<u>\$ 128,588</u>	<u>\$ 4,064,403</u>

(3 of 3)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

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

Net change in fund balance - total governmental funds	\$ (3,233,625)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>	
Capital outlay	2,696,431
Depreciation	(877,904)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
<p>Deferred property taxes at:</p>	
June 30, 2015	(265,339)
June 30, 2016	283,529
<p>The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These differences in the treatment of long-term debt and related items consist of:</p>	
Current year principal payments	980,000
Bond premium amortization	8,807
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>	
<p>Accrued interest at:</p>	
June 30, 2015	27,089
June 30, 2016	(21,984)
Loss on asset disposal	(15,374)
Deferred contributions to pension plan	373,090
Pension expense	<u>(419,158)</u>
Change in net position of governmental activities	<u>\$ (464,438)</u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUND
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
 Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 156,030	\$ 156,030	\$ 160,738	\$ 4,708
Oil and gas	22,178	22,178	13,984	(8,194)
Intergovernmental - federal sources:				
Forest reserve	-	8,344	8,344	-
Federal grants	17,206	17,206	17,489	283
Intergovernmental - state sources:				
State equalization guarantee	3,997,728	4,029,930	4,038,613	8,683
Transportation	440,628	452,346	452,346	-
State instructional material	20,488	26,807	26,807	-
Contributions - private grants	-	-	45,950	45,950
Charges for services	60,100	60,100	61,675	1,575
Investment and interest income	500	500	2,389	1,889
Miscellaneous	<u>3,500</u>	<u>3,500</u>	<u>12,433</u>	<u>8,933</u>
Total revenues	<u>4,718,358</u>	<u>4,776,941</u>	<u>4,840,768</u>	<u>63,827</u>
Expenditures:				
Current:				
Instruction	2,530,561	2,546,031	2,489,805	56,226
Support services:				
Students	681,109	744,833	733,393	11,440
Instruction	29,462	23,762	22,957	805
General Administration	233,915	274,300	260,370	13,930
School Administration	284,429	221,845	215,324	6,521
Central Services	91,442	91,661	88,541	3,120
Operation & Maintenance of Plant	596,351	584,140	471,984	112,156
Student transportation	440,628	452,353	452,351	2
Other Support services	<u>21,811</u>	<u>21,811</u>	<u>908</u>	<u>20,903</u>
Total expenditures	<u>4,909,708</u>	<u>4,960,736</u>	<u>4,735,633</u>	<u>225,103</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(191,350)	(183,795)	105,135	288,930
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
<i>Net change in fund balance</i>	(191,350)	(183,795)	105,127	288,922
<i>Beginning cash balance budgeted</i>	191,350	183,795	-	(183,795)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>346,704</u>	<u>346,704</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>451,831</u>	<u>\$ 451,831</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			1,230	
Change in due from other governments			(3,968)	
Change in payables			6,015	
Change in deferred property taxes			<u>(1,366)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 453,742</u>	

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE I FUND - NO. 24101
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 66,919	\$ 80,514	\$ 69,674	\$ (10,840)
Expenditures:				
Current:				
Instruction	13,340	23,435	18,899	4,536
Support services:				
Instruction	50,478	53,828	52,444	1,384
School Administration	<u>3,101</u>	<u>3,251</u>	<u>3,102</u>	<u>149</u>
Total expenditures	<u>66,919</u>	<u>80,514</u>	<u>74,445</u>	<u>6,069</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(4,771)	(4,771)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(4,771)	<u>\$ (4,771)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>4,771</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2016

ASSETS

Pooled cash and investments	\$	<u>131,445</u>
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LIABILITIES

Deposits held for others	\$	<u>131,445</u>
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The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Cimarron Municipal School District (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 in the Villages of Cimarron, New Mexico, Eagle Nest, New Mexico, Angel Fire, New Mexico, and the surrounding areas. 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 District's financial statements include all entities over which the Board of Education exercises oversight responsibility. Oversight responsibility includes such aspects as appointment of governing body members, designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

As required by GAAP, these financial statements present the District (primary government) and its component units. The component units discussed below are included in the District's reporting because of the significance of their operational or financial relationships with the District in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

Blended Component Units

The District does not have any component units reported as blended component units.

Discretely Presented Component Units

Moreno Valley High School Charter School (Charter School) was chartered under the District and is financially dependent on the District. Additionally the Charter School represents a financial burden for the District in the event of closure. The District does not appoint the Charter School's governing council. The Charter School does not have a separately issued report for the year ended June 30, 2016.

Moreno Valley Education Foundation (Foundation) was created for the purpose of providing financial support exclusively, or almost exclusively, to Moreno Valley High School and is reported as a component unit of the Charter School. Neither the District nor the Charter School appoint the Board of Directors of the Foundation. However, the Foundation's board of directors will have sitting members that are employees of the Charter School or are members of the Charter School's governing council. The Foundation does not have a separately issued report for the year ended June 30, 2016.

Significant disclosures for the component units can be found in the financial footnotes Note IV and the governmental financial statements are in the Component Units section of the report.

During fiscal year 2016, Cimarron Municipal School District No. 3 adopted the following GASB Statements:

- GASB 72, *Fair Value Measurement and Application*, This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement will be effective for the year ended June 30, 2016.
- GASB 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*, this Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. This Statement will be effective for the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement will be effective for the year ended June 30, 2016.
- GASB 79, *Certain External Investment Pools and Pool Participants*, this Statement addresses 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. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool’s participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool’s participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2015 (FYE June 30, 2016), except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. Those provisions are effective for reporting periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

Other accounting standards that Cimarron Municipal School District No. 3 is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement 43, and Statement No. 50, *Pension Disclosures*. This Statement will be effective for the year ended June 30, 2017.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB also are addressed. This Statement will be effective for the year ended June 30, 2018.
- GASB 77, *Tax Abatement Disclosures*, financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as inter-period equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time.

Financial statement users need information about certain limitations on a government's ability to raise resources. This includes limitations on revenue-raising capacity resulting from government programs that use tax abatements to induce behavior by individuals and entities that is beneficial to the government or its citizens. Tax abatements are widely used by state and local governments, particularly to encourage economic development. For financial reporting purposes, this Statement defines a tax abatement as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Although many governments offer tax abatements and provide information to the public about them, they do not always provide the information necessary to assess how tax abatements affect their financial position and results of operations, including their ability to raise resources in the future. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues.

This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

- The names of the governments that entered into the agreements
- The specific taxes being abated
- The gross dollar amount of taxes abated during the period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, the objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, Accounting and Financial Reporting for Pensions. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

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 plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015 (FYE June 30, 2017). Earlier application is encouraged.

- GASB 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, the objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, The Financial Reporting Entity, as amended.

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.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 (FYE June 30, 2017). Earlier application is encouraged.

- GASB 81, *Irrevocable Split-Interest Agreements*, The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts—or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements—in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate.

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.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016 (FYE June 30, 2018), and should be applied retroactively. Earlier application is encouraged.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

A. Reporting Entity (cont'd)

- GASB 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, the objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and 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. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016 (FYE June 30, 2017), except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017 (FYE June 30, 2018). Earlier application is encouraged.

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 Cimarron Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to GAAP as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

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 school district. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds. 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. 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, net of estimated refunds and estimated uncollectable amounts, 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 60 days of the end of the current fiscal period. Revenues received during the year but are applicable to subsequent years are reported as deferred inflows of resources. 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. Expenditures incurred during the year that are for the benefit of subsequent years are reported as deferred outflows of resources.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (cont'd)

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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

- General Fund
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.
- Title I Special Revenue Fund (Fund No. 24101) Minimum Balance: None
To help local education agencies (LEAs) and schools improve the teaching and learning of children failing, or most at-risk of failing, to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.
- Bond Building Capital Projects Fund (Fund No. 31100) Minimum Balance: None
This fund provides financing for the construction of buildings, the purchase of equipment, and the acquisition and improvement of land. Funding is provided by the sale of general obligation bonds, which have been approved by the voters of the district.
- Capital Improvements HB – 33 Capital Projects Fund (Fund No. 31600) Minimum Balance: None
This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 5 mill property tax levy and interest earned on investments, under House Bill 33.
- Capital Improvements SB – 9 Capital Projects Fund (Fund No. 31700) Minimum Balance: None
This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.
- ED Technology Equipment Act Capital Projects Fund (Fund No. 31900) Minimum Balance: None
This fund is used to account for the revenues and expenditures associated with Education Technology Bonds in the purchasing of equipment used in the educational process.
- Debt Service Fund (Fund No. 41000) Minimum Balance: None
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.
- Education Technology Debt Service Fund (Fund No. 43000) Minimum Balance: None
Used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest, and related costs associated with the Education Technology bond issues.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources – which are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds – Fiduciary Funds are the agency funds used to account for financial resources used by the student activity groups for which the District has stewardship

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity

1. *Deposits and investments*

The government'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 statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, and money market accounts. The District is also allowed to invest in United States Government obligations. All funds for the District must follow the above investment policies.

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 school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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.

2. *Receivables and payables*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due from/to other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due from/to other funds."

The District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB – 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

Under GASB Statement 33, property taxes are impressed non-exchange revenue. Assets from impressed non-exchange transactions are reported when the District has an enforceable legal claim to the asset. The enforceable legal claim date for property taxes is the assessment date. Taxes are payable in two equal installments on November 10 and April 10th following the levy and become delinquent after 30 days. Therefore, the District has recorded a delinquent tax receivable and revenue for taxes received within the sixty days following year-end. A receivable and deferred revenue have been recorded for uncollected delinquent taxes. On the government-wide financial statements, the district has recorded delinquent property taxes receivable and revenue for taxes assessed as of year-end that have not be collected, as prescribed in GASB 34. An allowance for refunds and uncollectible amounts has not been recorded.

3. *Inventories*

USDA Commodities are recorded at estimated costs and other inventories are recorded at cost, which approximates market. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

4. *Capital assets*

Capital assets, which include property, plant, and equipment (software), are reported in the applicable governmental-wide financial statements. Beginning July 1, 2005, the threshold for defining Capital assets by the government was raised from \$1,000 to assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Software costs have been included with the cost of computer equipment and are capitalized with that equipment. The District does not develop software for internal use or any other use.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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>
Buildings	25-50
Building improvements	7-20
Vehicles	5
Office equipment	5
Computer equipment	5

5. *Compensated absences*

The District policy is to permit employees to accumulate earned but unused vacation. Accumulated vacation and sick leave are not payable upon termination and is recorded as expenditures when it is paid.

6. *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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts.

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 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 capital projects expenditures.

7. *Pensions*

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 Education 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. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

8. *Fund balance*

a. Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

b. Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

c. Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District did not have committed fund balances for the year ended June 30, 2016.

d. Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2016.

e. Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

9. *Net Position*

Net Position is presented on the Statement of Net Position and may be presented in any of three components.

a. Net investment in capital assets

This component of Net Position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

b. Restricted Net Position

Net Position is reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

D. Assets, Liabilities, and Net Position or Equity (cont'd)

c. Unrestricted Net Position

Unrestricted Net Position consists of Net Position that does not meet the definition of “net investment in capital assets” or “restricted.”

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

In the governmental environment, Net Position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted Net Position, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

10. *Indirect Costs*

The District’s General Fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the Special Revenue Funds. They are shown as expenditures in the Special Revenue Funds, and as other special federal revenue in the General Fund.

11. *Estimates*

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

12. *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 insure 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 cost”.

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 \$4,038,613 in state equalization guarantee distributions during the year ended June 30, 2016.

Transportation Distribution: School districts in the State of New Mexico received 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 \$452,346 in transportation distributions during the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. 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. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

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

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

The school 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 Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
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 Department of Education.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds and Capital Projects Funds.
6. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for Budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2016 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 4,909,708	\$ 4,960,736
Special Revenue Fund	699,061	886,634
Capital Projects Fund	6,752,384	6,652,101
Debt Service Fund	<u>1,954,583</u>	<u>1,953,683</u>
Totals	<u>\$ 14,315,736</u>	<u>\$ 14,453,154</u>

B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2016.

C. Deficit Fund Equity

The District had one deficit fund balance of \$74,665 in the Ed Technology Equipment Act Capital Projects Fund as of June 30, 2016. These deficits will be funded by future grants or by the Operational Fund.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Temporary Investments

Cash and equivalents are comprised of the following balances:

	<u>Balance</u>
Banks:	
International Bank	\$ 4,892,202
Less agency cash	(131,445)
Less net reconciling items	(173,401)
Cash on hand	-
Total cash and equivalents	<u>\$ 4,587,356</u>

At June 30, 2016, the carrying amount of the District's deposits was \$4,718,801 and the bank balance was \$4,892,202 with the difference consisting of outstanding checks. Of this balance \$250,000 was covered by federal depository insurance and \$3,214,208 was covered by collateral held in joint safekeeping by a third party.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2016, \$1,427,994 of the District's bank balance was exposed to custodial risk as follows:

	<u>International Bank</u>
Uninsured and uncollateralized	\$ 1,427,994
Uninsured and collateral held by pledging bank's trust dept not in the District's name	3,214,208
Total uninsured	4,642,202
Insured (FDIC)	250,000
Total deposits	<u>\$ 4,892,202</u>
State of New Mexico collateral requirement:	
50% of uninsured public fund bank deposits	\$ 2,321,101
Pledged security	3,214,208
Over collateralization	<u>\$ 893,107</u>

The collateral pledged is listed on Page 108 of this report. 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. According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (cont'd)

B. Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	Receivables		Due from Other	
	Delinquent		<u>Governments</u>	<u>Funds</u>
	<u>Property Taxes</u>	<u>Grant</u>		
Major Funds:				
General	\$ 28,386	\$ -	\$ 3,289	\$ 80,102
Title I	-	-	-	-
Capital Improvements HB - 33	34,661	-	-	-
Capital Improvements SB - 9	130,017	-	14,493	-
Debt Service	69,133	-	13,080	-
Ed Tech Debt Service	46,784	-	6,585	-
Other Governmental Funds	-	55,594	-	-
Total	<u>\$ 308,981</u>	<u>\$ 55,594</u>	<u>\$ 37,447</u>	<u>\$ 80,102</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements		
Title I	\$ -	\$ 35,725
Other Governmental Funds	-	2,667
Delinquent property taxes		
General Fund	26,030	-
Capital Improvements HB-33	34,661	-
Capital Improvements SB - 9	119,922	-
Debt Service Fund	60,498	-
Ed Tech Debt Service	42,418	-
Other Governmental Funds	-	-
Total deferred/unearned revenue for governmental funds	<u>\$ 283,529</u>	<u>\$ 38,392</u>

C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2016 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 80,102	\$ -
Other Governmental Funds	-	80,102
Total	<u>\$ 80,102</u>	<u>\$ 80,102</u>

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. The loans are expected to be repaid within the next fiscal year.

D. Inter-Fund Transfers

The District did not have any transfers during the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (cont'd)

E. Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 1,112,475	\$ -	\$ -	\$ -	\$ 1,112,475
Construction in progress	<u>53,769</u>	<u>2,608,807</u>	<u>-</u>	<u>(53,769)</u>	<u>2,608,807</u>
Total capital assets not being depreciated	<u>1,166,244</u>	<u>2,608,807</u>	<u>-</u>	<u>(53,769)</u>	<u>3,721,282</u>
Capital assets being depreciated:					
Land improvements	1,045,784	-	(1,390)	(59,275)	985,119
Buildings and improvements	20,548,422	59,142	(1,223)	114,680	20,721,021
Furniture, fixtures, and equipment	<u>4,730,974</u>	<u>28,482</u>	<u>(206,206)</u>	<u>(1,636)</u>	<u>4,551,614</u>
Total capital assets being depreciated	<u>26,325,180</u>	<u>87,624</u>	<u>(208,819)</u>	<u>53,769</u>	<u>26,257,754</u>
Less accumulated depreciation for:					
Land improvements	(320,941)	(51,311)	1,390	577	(370,285)
Buildings and improvements	(8,640,141)	(569,194)	1,223	(577)	(9,208,689)
Furniture, fixtures, and equipment	<u>(2,740,363)</u>	<u>(257,399)</u>	<u>190,832</u>	<u>-</u>	<u>(2,806,930)</u>
Total accumulated depreciation	<u>(11,701,445)</u>	<u>(877,904)</u>	<u>193,445</u>	<u>-</u>	<u>(12,385,904)</u>
Total capital assets being depreciated, net	<u>14,623,735</u>	<u>(790,280)</u>	<u>(15,374)</u>	<u>53,769</u>	<u>13,871,850</u>
Total capital assets, net	<u>\$ 15,789,979</u>	<u>\$ 1,818,527</u>	<u>\$ (15,374)</u>	<u>\$ -</u>	<u>\$ 17,593,132</u>

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 354,486
Support Services - Students	98,965
Support Services - Instruction	11,653
Support Services - General Administration	36,348
Support Services - School Administration	32,103
Central Services	18,877
Operations & Maintenance of Plant	235,136
Student Transportation	58,057
Other Support Services	117
Food Services	<u>32,162</u>
Total Depreciation Expense	<u>\$ 877,904</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Construction commitments

The District is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount in the capital projects funds designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

III. DETAILED NOTES ON ALL FUNDS (cont'd)

F. Long-Term Debt

General Obligation Bonds – The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the School District boundaries. The details of the bonds and notes as of June 30, 2016 are as follows:

<u>General Obligations Bonds</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Balance</u>	<u>Amount Due Within One Year</u>
Series 2011	\$ 1,750,000	1.20% to 2.60%	\$ 350,000	\$ 350,000
Series 2015	<u>4,000,000</u>	2.00% to 2.50%	<u>3,370,000</u>	<u>585,000</u>
Total	<u>\$ 5,750,000</u>		<u>\$ 3,720,000</u>	<u>\$ 935,000</u>

<u>Balance</u>	
Bonds payable	\$ 3,720,000
Less: current maturities	(935,000)
Unamortized:	
Bond premiums	<u>100,774</u>
Total non-current liabilities	<u>\$ 2,885,774</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>General Obligation Bonds</u>			
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2016	\$ 935,000	\$ 67,075	\$ 1,002,075
2017	245,000	56,325	301,325
2018	255,000	51,325	306,325
2019	270,000	46,075	316,075
2020	265,000	40,725	305,725
2021 - 2025	1,440,000	119,313	1,559,313
2026 - 2030	<u>310,000</u>	<u>3,875</u>	<u>313,875</u>
Total	<u>\$ 3,720,000</u>	<u>\$ 384,713</u>	<u>\$ 4,104,713</u>

Changes in long term debt – During the year ended June 30, 2016 the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds payable:					
GO bonds	<u>\$ 4,700,000</u>	<u>\$ -</u>	<u>\$ 980,000</u>	<u>\$ 3,720,000</u>	<u>\$ 935,000</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. COMPONENT UNITS

District management has determined that the Moreno Valley High School Charter School is a component unit of the District under Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units, an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. Under the same standards management has determined that Moreno Valley Education Foundation is a component unit of Moreno Valley High School Charter School.

Moreno Valley High School Charter School was determined to be component unit of Cimarron Municipal Schools since a financial burden exists upon closure of the charter school or when the charter school is in need of financial assistance. Additionally, the New Mexico State Auditor, through Rule 2 NMAC 2.2, requires the inclusion of this unit in the reporting entity.

Moreno Valley Educational Foundation is a separate hut affiliated, self-sustaining, not-for-profit organization. The Foundation was established to provide support for the Moreno Valley High School Charter School and to promote, sponsor, and carry out charitable and related activities for Moreno Valley High School Charter School. It is governed by an independent board of volunteers. The Foundation is considered to be a component unit of the Moreno Valley High School Charter School because the purpose of the Foundation is to exclusively, or almost exclusively, benefit the District by soliciting contributions and managing the funds.

The following are summarized details for the component units' balances and transactions as of June 30, 2016 and for the year then ended:

A. Moreno Valley High School Charter School

Cash and Temporary Investments

At June 30, 2016, the carrying amount of the Charter School's deposits was \$233,168 and the bank balance was \$229,375 with the difference consisting of outstanding checks. Of this balance \$229,375 was covered by federal depository insurance.

Custodial Credit Risk

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. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Charter School for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2016, none of the Charter School's bank balance was exposed to custodial risk as follows:

	International <u>Bank</u>	Washington <u>Federal</u>	<u>Total</u>
Uninsured and uncollateralized	\$ -	\$ -	\$ -
Uninsured and collateral held by pledging bank's trust dept not in the District's name	-	-	-
Total uninsured	-	-	-
Insured (FDIC)	210,700	18,675	229,375
Total deposits	\$ 210,700	\$ 18,675	\$ 229,375
State of New Mexico collateral requirement:			
50% of uninsured public fund bank deposits	\$ -	\$ -	\$ -
Pledged security	-	-	-
Over collateralization	\$ -	\$ -	\$ -

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. COMPONENT UNITS (cont'd)

A. Moreno Valley High School Charter School (cont'd)

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. According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	Receivables		Due from Other	
	Delinquent		<u>Governments</u>	<u>Funds</u>
	<u>Property Taxes</u>	<u>Grant</u>		
Major Funds:				
General	\$ -	\$ -	\$ -	\$ 26,282
Entitlement IDEA-B	-	22,159	-	-
Libraries GO Bond 2010	-	1,018	-	-
Libraries GO Bond 2012	-	3,105	-	-
Capital Improvements SB - 9	984	-	-	-
Total	\$ 984	\$ 26,282	\$ -	\$ 26,282

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2016 were:

	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 26,282	\$ -
Entitlement IDEA-B	-	22,159
Libraries GO Bond 2010	-	1,018
Beginning Teacher Mentoring	-	3,105
Total	\$ 26,282	\$ 26,282

The inter-fund loans were made for the purposes of cash shortfalls within the individual funds. The loans are expected to be repaid within the next fiscal year.

Inter-Fund Transfers

There were not any inter-fund transfers during the year ended June 30, 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. COMPONENT UNITS (cont'd)

A. Moreno Valley High School Charter School (cont'd)

Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets being depreciated:				
Buildings and improvements	2,127,852	-	(352,228)	1,775,624
Furniture, fixtures, and equipment	103,951	-	-	103,951
Total capital assets being depreciated	<u>2,231,803</u>	<u>-</u>	<u>(352,228)</u>	<u>1,879,575</u>
Less accumulated depreciation for:				
Buildings and improvements	(483,115)	(45,029)	262,414	(265,730)
Furniture, fixtures, and equipment	(103,951)	-	-	(103,951)
Total accumulated depreciation	<u>(587,066)</u>	<u>(45,029)</u>	<u>262,414</u>	<u>(369,681)</u>
Total capital assets being depreciated, net	<u>1,644,737</u>	<u>(45,029)</u>	<u>(89,814)</u>	<u>1,509,894</u>
Total capital assets, net	<u>\$ 1,644,737</u>	<u>\$ (45,029)</u>	<u>\$ (89,814)</u>	<u>\$ 1,509,894</u>

Depreciation has been allocated to the functions by the following amounts:

<u>Depreciation Allocation to Functions</u>	
Instruction	\$ 17,497
Support Services - Students	420
Support Services - Instruction	211
Support Services - General Administration	4,660
Support Services - School Administration	8,958
Central Services	4,193
Operations & Maintenance of Plant	9,090
Total Depreciation Expense	<u>\$ 45,029</u>

The Schedule of Capital Assets Used by Source, and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

Construction commitments

The Charter School is involved in long-term construction projects as part of their master plan for upgrading the district buildings. The amount in the capital projects funds designated for subsequent years expenditures are committed for funding these projects. Interest on construction projects is not capitalized.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. COMPONENT UNITS (cont'd)

B. Moreno Valley Education Foundation

Cash and Temporary Investments

At June 30, 2016, the carrying amount of the Foundation's deposits was \$132,373 and the bank balance was \$133,448 with the difference consisting of outstanding checks. Of this balance \$130,013 was covered by federal depository insurance.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the Foundation for at least one half of the amount on deposit with the institution. The statement listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2016, none of the Foundation's bank balance was exposed to custodial risk as follows:

	International <u>Bank</u>
Uninsured and uncollateralized	\$ -
Uninsured and collateral held by pledging bank's trust dept not in the District's name	-
Total uninsured	-
Insured (FDIC)	133,448
Total deposits	<u>\$ 133,448</u>
State of New Mexico collateral requirement:	
50% of uninsured public fund bank deposits	\$ -
Pledged security	-
Over collateralization	<u>\$ -</u>

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. According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. Time deposits, savings deposits and interest bearing "Now" accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

IV. COMPONENT UNITS (cont'd)

B. Moreno Valley Education Foundation (cont'd)

Capital Assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 278,571	\$ -	\$ (20,000)	\$ 258,571
Capital assets being depreciated:				
Land improvements	-	-	-	-
Buildings and improvements	-	-	-	-
Furniture, fixtures, and equipment	63,266	577	-	63,843
Total capital assets being depreciated	63,266	577	-	63,843
Less accumulated depreciation for:				
Land improvements	-	-	-	-
Buildings and improvements	-	-	-	-
Furniture, fixtures, and equipment	(60,255)	(801)	-	(61,056)
Total accumulated depreciation	(60,255)	(801)	-	(61,056)
Total capital assets being depreciated, net	3,011	(224)	-	2,787
Total capital assets, net	\$ 281,582	\$ (224)	\$ (20,000)	\$ 261,358

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2016.

B. Employee Retirement Plan

Plan Description - Substantially all of the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, Sections 1 through 52, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the New Mexico Educational Employees' Retirement Plan (Plan), which is a cost-sharing multiple-employer defined benefit retirement plan. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained www.nmerb.org, www.saonm.org, or by writing to:

ERB
P.O. Box 26129
Santa Fe, New Mexico 87502-6129
www.nmerb.org

Membership in the Plan is a condition of employment. Employees of public schools, universities, regional cooperatives, special schools and state agencies providing educational programs, who are employed at more than 25% of a full-time equivalency, are required to be members of the Plan. There were 146,089 active, retired, and inactive members in fiscal year 2015; there were 140,008 active, retired, and inactive members in fiscal year 2014.

Benefits Provided - The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FAS is the higher of annual earnings for the previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20 consecutive calendar quarters.

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 of 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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.

The member, upon retirement, has three options as to how to receive the benefit.

Option A – If the member elects the Option A, there is no reduction to the monthly benefit other than any “Rule of 75” deductions or any community property or child support reductions. There will be no continuing benefit to a beneficiary or estate upon the retiree's death, except the balance, if any, of member contributions. Those contributions are usually exhausted in the first three to four years of retirement.

Option B – If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

Option C – If the member elects Option C, the monthly benefit is reduced to provide for a 50% survivor's benefit. The benefit is payable during the life of the member and upon the retiree's death, one half of the member's benefit is paid to the beneficiary for his or her lifetime. Here again, the named beneficiary may not be changed after the effective date of retirement. If the beneficiary predeceases the member, the member's benefit is adjusted by returning it to the Option A Benefit amount.

Under the provisions of Options B and C coverage, the beneficiary must be a person, and only one beneficiary may be named. The term beneficiary means a person having an insurable interest in the life of the member.

Member Contributions – Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.7% of their gross salary in fiscal year 2016.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Employer Contributions – In fiscal year 2016, the District was required to contribute 13.9% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.9% of the gross covered salary for employees whose annual salary is more than \$20,000. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2016, 2015, and 2014, were \$373,090, \$363,803, and \$338,895, respectively, which equal the amount of the required contributions for each fiscal year.

Moreno Valley High School Charter School's contributions to ERB for the fiscal years ending June 30, 2016, 2015, and 2014, were \$69,894, \$74,975, and \$74,462, respectively, which equal the amount of the required contributions for each fiscal year.

Employers

The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 216 contributing employers in fiscal year 2015; there were 217 contributing employers in fiscal year 2014.

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions

Cimarron Municipal Schools

At June 30, 2016, the District reported a liability of \$5,964,915 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the District's proportion was 0.09209 percent, which was a decrease of 0.00014 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$419,158.

Pension Expense Calculation

Add:	Net pension liability - end of the year	\$	5,964,915
Deduct:	Net pension liability - beginning of the year		(5,334,279)
Deduct:	Deferred outflows of resources during the year		(536,553)
Add:	First year of amortization of deferred outflows of resources		-
Add:	Deferred inflows of resources during the year		147,811
Deduct:	First year of amortization of deferred inflows of resources		(20,467)
Add:	Layered amortization of prior year(s) deferred outflows of resources		-
Deduct:	Layered amortization of prior year(s) deferred inflows of resources		(166,072)
	Reductions to ending net pension liability due contributions paid		363,803
	Total Pension Expense	\$	<u>419,158</u>

At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 111,364
Change of assumptions	205,165	-
Net difference between projected and actual earnings on pension plan investments	-	32,313
Changes in proportion and differences between District contributions and proportionate share of contributions	-	82,298
District contributions subsequent to the measurement date	<u>373,090</u>	<u>-</u>
Total	<u>\$ 578,255</u>	<u>\$ 225,975</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Deferred outflows of resources related to pensions in the amount of \$373,090 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending <u>June 30,</u>	Deferred <u>Outflows</u>	Deferred <u>Inflows</u>	<u>Total</u>
2017	\$ (69,160)	\$ 117,256	\$ 48,096
2018	(69,159)	112,673	43,514
2019	(66,846)	78,893	12,047
2020	-	(82,847)	(82,847)
2021	-	-	-
Thereafter	-	-	-
Total	<u>\$ (205,165)</u>	<u>\$ 225,975</u>	<u>\$ 20,810</u>

Moreno Valley High School Charter School

At June 30, 2016, the Charter School reported a liability of \$1,228,737 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Charter School's proportion of the net pension liability was based on a projection of the Charter School's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2015, the Charter School's proportion was 0.01897 percent, which was a decrease of 0.00157 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the Charter School recognized pension expense of \$86,119.

Pension Expense Calculation

Add:	Net pension liability - end of the year	\$	1,228,737
Deduct:	Net pension liability - beginning of the year		(1,171,949)
Deduct:	Deferred outflows of resources during the year		(110,527)
Add:	First year of amortization of deferred outflows of resources		-
Add:	Deferred inflows of resources during the year		111,304
Deduct:	First year of amortization of deferred inflows of resources		(24,843)
Add:	Layered amortization of prior year(s) deferred outflows of resources		18,116
Deduct:	Layered amortization of prior year(s) deferred inflows of resources		(39,694)
	Reductions to ending net pension liability due contributions paid		<u>74,975</u>
	Total Pension Expense	\$	<u>86,119</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Moreno Valley High School Charter School (cont'd)

At June 30, 2016, the Charter School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 23,480
Change of assumptions	42,263	-
Net difference between projected and actual earnings on pension plan investments	-	4,832
Changes in proportion and differences between Charter School contributions and proportionate share of contributions	34,059	74,206
Charter School contributions subsequent to the measurement date	<u>69,894</u>	<u>-</u>
Total	<u>\$ 146,216</u>	<u>\$ 102,518</u>

Deferred outflows of resources related to pensions in the amount of \$69,894 resulted from Charter School contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Total</u>
2017	\$ (33,210)	\$ 43,361	\$ 10,151
2018	(31,037)	42,690	11,653
2019	(12,075)	33,533	21,458
2020	-	(17,066)	(17,066)
2021	-	-	-
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ (76,322)</u>	<u>\$ 102,518</u>	<u>\$ 26,196</u>

Actuarial Assumptions

A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2015. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the assumptions described below and the projection of cash flows, pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. The long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2014. The total pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2014. The total pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 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 10.7% 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 Cost of Living Adjustment (COLA) will be deferred until age 67.
- 3) COLAs for most retirees are reduced until ERB attains a 100% funded status.
- 4) The new assumptions were adopted by ERB on June 12, 2015 in conjunction with the six year experience study period ending June 30, 2014.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

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
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 2015 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. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2015 and 2014 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	<u>2015 Long-Term Expected Real Rate of Return</u>	<u>2014 Long-Term Expected Real Rate of Return</u>
Cash	3.25%	1.50%
Treasuries	3.50%	2.00%
IG Corp Credit	4.75%	3.50%
MBS	3.75%	2.25%
Core Bonds	3.98%	2.53%
TIPS	4.00%	2.50%
High Yield Bonds	5.75%	4.50%
Bank Loans	6.00%	5.00%
Global Bonds (Unhedged)	2.25%	1.25%
Global Bonds (Hedged)	2.41%	1.38%
EMD External	6.00%	5.00%
EMD Local Currency	6.75%	5.75%
Large Cap Equities	7.50%	6.25%
Small/Mid Cap	7.75%	6.25%
International Equities (Unhedged)	8.00%	7.25%
International Equities (Hedged)	8.47%	7.50%
Emerging International Equities	9.25%	9.50%
Private Equity	9.50%	8.75%
Private Debt	8.00%	8.00%
Private Real Assets	7.75%	7.75%
Real Estate	6.50%	6.25%
Commodities	5.75%	5.00%
Hedge Funds	6.75%	5.50%

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

B. Employee Retirement Plan (cont'd)

Rate of Return

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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of fiscal year end 2015. In particular, the table presents the Plan'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.

		6.75%		7.75%		8.75%
ERB (All Employers)						
2015	\$	8,715,594,530	\$	6,477,266,299	\$	4,596,837,569
2014	\$	7,763,304,829	\$	5,705,730,813	\$	3,987,098,791
2013	\$	8,286,923,513	\$	6,276,852,149	\$	4,599,162,126
District						
2015	\$	8,026,191	\$	5,964,915	\$	4,233,228
2014	\$	7,257,904	\$	5,334,279	\$	3,727,719
2013	\$	7,803,796	\$	5,910,913	\$	4,331,031
Charter School						
2015	\$	1,653,348	\$	1,228,737	\$	872,020
2014	\$	1,594,574	\$	1,171,949	\$	819,088
2013	\$	1,609,321	\$	1,218,967	\$	893,157

C. Post-Retirement Health Care Benefits

Plan Description

Cimarron Municipal School District No. 3 contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are:

- 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time period required for employee and employer 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

C. Post-Retirement Health Care Benefits (cont'd)

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:

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

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

The District's contributions to the RHCA for the years ended June 30, 2016, 2015, and 2014 were \$56,784, \$52,572, and \$51,187, respectively, which equal the required contributions for each year.

Moreno Valley High School Charter School's contributions to ERB for the fiscal years ending June 30, 2016, 2015, and 2014, were \$9,711, \$10,642, and \$11,324, respectively, which equal the amount of the required contributions for each fiscal year.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2016

V. OTHER INFORMATION (cont'd)

D. Joint Powers Agreement

Participants:	Cimarron Municipal School District No. 3 Village of Cimarron
Operation Responsibility:	Both parties.
Description:	For the purposes of constructing, maintaining, and operating a heliport for the public in Cimarron. Cimarron Municipal School District No. 3 is responsible for providing electricity, maintaining lighting, and mowing the grass. The Village of Cimarron will be the fiscal agent of the facility and will construct the facility and maintain the surrounding roads.
Period:	January 1, 2010 through December 31, 2039
Project Cost:	Cimarron Municipal Schools agrees to provide location and pay for electricity and maintenance of the grounds.
Association Contributions:	Annually: Undetermined.
Audit Responsibility:	Village of Cimarron
Reporting Responsibility:	Revenues are collected and recorded by the Village and are shared and recorded by both parties. Expenses are incurred and recorded by both parties.

E. Contingent Liabilities

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

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

F. Cash Flows

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

G. Subsequent Events

Subsequent events were evaluated through November 2, 2016 which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.092090%	0.093490%
District's proportionate share of the net pension liability	\$ 5,964,915	\$ 5,334,279
District's covered-employee payroll	\$ 2,617,732	\$ 2,577,055
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	227.87%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

SCHEDULE OF DISTRICT'S CONTRIBUTIONS
Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 363,865	\$ 338,895
Contributions in relation to the contractually required	<u>(363,803)</u>	<u>(338,895)</u>
Contribution deficiency (excess)	<u>\$ 62</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,617,732	\$ 2,577,055
Contribution as a percentage of covered-employee payroll	13.90%	13.15%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2016

SCHEDULE OF THE MORENO VALLEY HIGH SCHOOLS' PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
Charter Schools's proportion of the net pension liability	0.018970%	0.020540%
Charter Schools's proportionate share of the net pension liability	\$ 1,228,737	\$ 1,171,949
Charter Schools's covered-employee payroll	\$ 539,390	\$ 566,253
Charter Schools's proportionate share of the net pension liability as a percentage of its covered-employee payroll	227.80%	206.97%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the Charter School will present information for those years for which information is available.

SCHEDULE OF MORENO VALLEY HIGH SCHOOLS' CONTRIBUTIONS

Educational Retirement Board (ERB) Pension Plan
Last 10 Fiscal Years*

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 74,975	\$ 74,462
Contributions in relation to the contractually required	<u>(74,975)</u>	<u>(74,462)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Charter School's covered-employee payroll	\$ 539,390	\$ 566,253
Contribution as a percentage of covered-employee payroll	13.90%	13.15%

* These schedules are intended to present 10 years of trending history. However, until a full 10-year trend is compiled, the Charter School will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended 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 General Information on the Pension Plan.

Changes of assumptions: ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 12, 2015, ERB implemented the following changes in assumptions for fiscal years 2015.

- 1) Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.75% to 3.75%
 - b. Lower payroll growth from 3.75% to 3.50%
 - c. Minor changes to demographic assumptions
 - d. Population growth per year from 0.50% to 0.00%
- 2) Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Net real return remains at 4.75%
 - c. Inflation will remain at 3.00%
 - d. COLA assumption of 2.00% per year

Payroll growth remains at 3.50%

See also the Note VI (B) *Actuarial Assumptions* of the financial statement note disclosure on the Pension Plan.

GENERAL FUNDS
YEAR ENDED JUNE 30, 2016

OPERATING FUND

The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TRANSPORTATION FUND

Accounts for all the Transportation funds received through the state that are used in the maintaining and operating vehicles used to transport students.

INSTRUCTIONAL MATERIALS FUND

Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUNDS
Combining Balance Sheet
June 30, 2016

	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	Total General Funds
Assets				
Cash and cash equivalents	\$ 403,956	\$ 2	\$ 19,889	\$ 423,847
Receivables:				
Property taxes	28,386	-	-	28,386
Due from other governments	3,289	-	-	3,289
Due from other funds	<u>80,102</u>	<u>-</u>	<u>-</u>	<u>80,102</u>
Total assets	<u><u>\$ 515,733</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 19,889</u></u>	<u><u>\$ 535,624</u></u>
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ 1,074	\$ -	\$ -	\$ 1,074
Accrued salaries	<u>54,778</u>	<u>-</u>	<u>-</u>	<u>54,778</u>
Total liabilities	55,852	-	-	55,852
 Deferred inflows of resources:				
Delinquent property taxes	<u>26,030</u>	<u>-</u>	<u>-</u>	<u>26,030</u>
 Fund balance:				
Unassigned	<u>433,851</u>	<u>2</u>	<u>19,889</u>	<u>453,742</u>
Total liabilities, deferred inflows of resources, and fund balance	<u><u>\$ 515,733</u></u>	<u><u>\$ 2</u></u>	<u><u>\$ 19,889</u></u>	<u><u>\$ 535,624</u></u>

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

GENERAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	General Funds			Total General Fund
	Operational Fund #11000	Transportation Fund #13000	Instructional Materials Fund #14000	
Revenues:				
Taxes:				
Property	\$ 157,478	\$ -	\$ -	\$ 157,478
Oil and gas	13,140	-	-	13,140
Intergovernmental - federal grants	29,293	-	-	29,293
Intergovernmental - state grants	4,038,613	452,346	26,807	4,517,766
Contributions - private grants	45,950	-	-	45,950
Charges for services	61,675	-	-	61,675
Investment and interest income	2,389	-	-	2,389
Miscellaneous	8,974	-	-	8,974
Total revenue	4,357,512	452,346	26,807	4,836,665
Expenditures:				
Current:				
Instruction	2,445,440	-	44,365	2,489,805
Support services:				
Students	733,393	-	-	733,393
Instruction	22,957	-	-	22,957
General Administration	259,707	-	-	259,707
School Administration	215,324	-	-	215,324
Central Services	88,541	-	-	88,541
Operation & Maintenance of Plant	466,633	-	-	466,633
Student transportation	-	452,351	-	452,351
Other Support services	908	-	-	908
Total expenditures	4,232,903	452,351	44,365	4,729,619
<i>Excess (deficiency) of revenues over expenditures</i>	124,609	(5)	(17,558)	107,046
Other financing uses:				
Refunds	-	(8)	-	(8)
<i>Net change in fund balance</i>	124,609	(13)	(17,558)	107,038
Fund balance at beginning of the year	309,242	15	37,447	346,704
Fund balance at end of the year	\$ 433,851	\$ 2	\$ 19,889	\$ 453,742

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

OPERATIONAL FUND - NO. 11000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes:				
Property	\$ 156,030	\$ 156,030	\$ 160,738	\$ 4,708
Oil and gas	22,178	22,178	13,984	(8,194)
Intergovernmental - federal sources:				
Forest reserve	-	8,344	8,344	-
Federal grants	17,206	17,206	17,489	283
Intergovernmental - state sources:				
State equalization guarantee	3,997,728	4,029,930	4,038,613	8,683
Contributions - private grants	-	-	45,950	45,950
Charges for services	60,100	60,100	61,675	1,575
Investment and interest income	500	500	2,389	1,889
Miscellaneous	3,500	3,500	12,433	8,933
Total revenues	4,257,242	4,297,788	4,361,615	63,827
Expenditures:				
Current:				
Instruction	2,465,064	2,481,777	2,445,440	36,337
Support services:				
Students	681,109	744,833	733,393	11,440
Instruction	29,462	23,762	22,957	805
General Administration	233,915	274,300	260,370	13,930
School Administration	284,429	221,845	215,324	6,521
Central Services	91,442	91,661	88,541	3,120
Operation & Maintenance of Plant	596,351	584,140	471,984	112,156
Other Support services	21,811	21,811	908	20,903
Total expenditures	4,403,583	4,444,129	4,238,917	205,212
<i>Excess (deficiency) of revenues over expenditures</i>	(146,341)	(146,341)	122,698	269,039
<i>Beginning cash balance budgeted</i>	146,341	146,341	-	(146,341)
Fund balance at beginning of the year	-	-	309,242	309,242
Fund balance at end of the year	\$ -	\$ -	431,940	\$ 431,940
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			1,230	
Change in due from other governments			(3,968)	
Change in payables			6,015	
Change in deferred property taxes			(1,366)	
Fund balance at end of the year (GAAP basis)			\$ 433,851	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TRANSPORTATION FUND - NO. 13000
**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
 Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state sources:				
Transportation	\$ 440,628	\$ 452,346	\$ 452,346	\$ -
Expenditures:				
Current:				
Support services:				
Student transportation	<u>440,628</u>	<u>452,353</u>	<u>452,351</u>	<u>2</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	(7)	(5)	2
Other financing uses:				
Refunds	<u>-</u>	<u>-</u>	<u>(8)</u>	<u>(8)</u>
<i>Net change in fund balance</i>	-	(7)	(13)	(6)
<i>Beginning cash balance budgeted</i>	-	7	-	(7)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>2</u>	<u>\$ 2</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 2</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INSTRUCTIONAL MATERIALS FUND - NO. 14000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state sources:				
State instructional material	\$ 20,488	\$ 26,807	\$ 26,807	\$ -
Expenditures:				
Current:				
Instruction	<u>65,497</u>	<u>64,254</u>	<u>44,365</u>	<u>19,889</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(45,009)	(37,447)	(17,558)	19,889
<i>Beginning cash balance budgeted</i>	45,009	37,447	-	(37,447)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>37,447</u>	<u>37,447</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>19,889</u>	<u>\$ 19,889</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>-</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 19,889</u></u>	

MAJOR CAPITAL PROJECTS FUNDS
AND
MAJOR DEBT SERVICE FUND

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BOND BUILDING FUND - NO. 31100
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Investment and interest income	\$ -	\$ -	\$ 6,359	\$ 6,359
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	40,000	172,095	160,286	11,809
Capital outlay:				
Construction in progress	<u>3,907,292</u>	<u>3,660,272</u>	<u>2,629,804</u>	<u>1,030,468</u>
Total expenditures	<u>3,947,292</u>	<u>3,832,367</u>	<u>2,790,090</u>	<u>1,042,277</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(3,947,292)	(3,832,367)	(2,783,731)	1,048,636
<i>Beginning cash balance budgeted</i>	3,947,292	3,832,367	-	(3,832,367)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>3,832,367</u>	<u>3,832,367</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>1,048,636</u>	<u>\$ 1,048,636</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(396,091)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 652,545</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS HB-33 FUND - NO. 31600

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ -	\$ -	\$ 2,144	\$ 2,144
Investment and interest income	-	-	68	68
Total revenues	-	-	2,212	2,212
Expenditures:				
Current:				
Support services:				
General Administration	154	154	21	133
Capital outlay:				
Construction in progress	53,905	53,905	35,498	18,407
Total expenditures	54,059	54,059	35,519	18,540
<i>Excess (deficiency) of revenues over expenditures</i>	(54,059)	(54,059)	(33,307)	20,752
<i>Beginning cash balance budgeted</i>	54,059	54,059	-	(54,059)
Fund balance at beginning of the year	-	-	54,870	54,870
Fund balance at end of the year	\$ -	\$ -	21,563	\$ 21,563
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			(22,790)	
Change in due from other governments			(153)	
Change in deferred property taxes			22,132	
Fund balance at end of the year (GAAP basis)			\$ 20,752	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 797,682	\$ 797,682	\$ 692,451	\$ (105,231)
Oil and gas	88,711	88,711	55,935	(32,776)
Intergovernmental - state grants	-	13,424	-	(13,424)
Investment and interest income	800	800	4,582	3,782
Miscellaneous	-	-	750	750
Total revenues	887,193	900,617	753,718	(146,899)
Expenditures:				
Current:				
Support services:				
General Administration	8,477	11,477	8,987	2,490
Operation & Maintenance of Plant	1,260,984	1,374,408	351,731	1,022,677
Capital outlay:				
Equipment	400,000	400,000	54,632	345,368
Construction in progress	745,594	642,594	-	642,594
Total expenditures	2,415,055	2,428,479	415,350	2,013,129
<i>Excess (deficiency) of revenues over expenditures</i>	(1,527,862)	(1,527,862)	338,368	1,866,230
<i>Beginning cash balance budgeted</i>	1,527,862	1,527,862	-	(1,527,862)
Fund balance at beginning of the year	-	-	1,566,823	1,566,823
Fund balance at end of the year	\$ -	\$ -	1,905,191	\$ 1,905,191
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			3,105	
Change in due from other governments			(16,270)	
Change in payables			(9,768)	
Change in deferred property taxes			(4,560)	
Fund balance at end of the year (GAAP basis)			\$ 1,877,698	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECHNOLOGY EQUIPMENT ACT FUND - NO. 31900
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Investment and interest income	\$ 50	\$ 50	\$ 79	\$ 29
Miscellaneous	-	-	200	200
Total revenues	50	50	279	229
Expenditures:				
Current:				
Support services:				
General Administration	5,000	3,409	3,408	1
Operation & Maintenance of Plant	280,978	333,787	317,589	16,198
Capital outlay:				
Equipment	50,000	-	-	-
Total expenditures	335,978	337,196	320,997	16,199
<i>Excess (deficiency) of revenues over expenditures</i>	(335,928)	(337,146)	(320,718)	16,428
Other financing sources:				
Sale of bonds	-	-	35,000	35,000
<i>Net change in fund balance</i>	(335,928)	(337,146)	(285,718)	51,428
<i>Beginning cash balance budgeted</i>	335,928	337,146	-	(337,146)
Fund balance at beginning of the year	-	-	337,146	337,146
Fund balance at end of the year	\$ -	\$ -	51,428	\$ 51,428
RECONCILIATION TO GAAP BASIS:				
Change in payables			(126,093)	
Fund balance (deficit) at end of the year (GAAP basis)			\$ (74,665)	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DEBT SERVICE FUND - NO. 41000
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Taxes:				
Property	\$ 655,370	\$ 655,370	\$ 658,032	\$ 2,662
Oil and gas	49,329	49,429	45,910	(3,519)
Investment and interest income	-	-	684	684
Total revenues	704,699	704,799	704,626	(173)
Expenditures:				
Current:				
Support services:				
General Administration	6,554	6,654	6,580	74
Debt service:				
Principal retirement	630,000	630,000	630,000	-
Bond interest paid	74,699	74,699	74,698	1
Reserves	523,108	522,108	-	522,108
Other	-	-	268	(268)
Total expenditures	1,234,361	1,233,461	711,546	521,915
<i>Excess (deficiency) of revenues over expenditures</i>	(529,662)	(528,662)	(6,920)	521,742
<i>Beginning cash balance budgeted</i>	529,662	528,662	-	(528,662)
Fund balance at beginning of the year	-	-	650,010	650,010
Fund balance at end of the year	\$ -	\$ -	643,090	\$ 643,090
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			14,902	
Change in due from other governments			(10,739)	
Change in deferred property taxes			(13,216)	
Fund balance at end of the year (GAAP basis)			\$ 634,037	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ED TECH DEBT SERVICE FUND - NO. 43000

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ 321,615	\$ 321,615	\$ 324,256	\$ 2,641
Oil and gas	35,735	35,735	22,122	(13,613)
Investment and interest income	300	300	740	440
Total revenues	357,650	357,650	347,118	(10,532)
Expenditures:				
Current:				
Support services:				
General Administration	3,216	3,216	3,243	(27)
Debt service:				
Principal retirement	350,000	350,000	350,000	-
Bond interest paid	7,350	7,350	7,350	-
Reserves	359,656	359,656	-	359,656
Total expenditures	720,222	720,222	360,593	359,629
<i>Excess (deficiency) of revenues over expenditures</i>	(362,572)	(362,572)	(13,475)	349,097
<i>Beginning cash balance budgeted</i>	362,572	362,572	-	(362,572)
Fund balance at beginning of the year	-	-	391,131	391,131
Fund balance at end of the year	\$ -	\$ -	377,656	\$ 377,656
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			20,801	
Change in due from other governments			(5,571)	
Change in deferred property taxes			(21,180)	
Fund balance at end of the year (GAAP basis)			\$ 371,706	

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NONMAJOR GOVERNMENTAL FUNDS

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NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- **FOOD SERVICES (Fund No. 21000)** Minimum Balance: None

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60 Stat. 230, 42 U.S.C. 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C. 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71, 101 stat. 430.
- **ATHLETICS (Fund No. 22000)** Minimum Balance: None

This fund provides financing for school athletic activities. Funding is provided by fees from patrons.
- **ENTITLEMENT IDEA-B (Fund No. 24106)** Minimum Balance: None

Program provides grants to states that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.
- **PRESCHOOL IDEA-B (Fund No. 24109)** Minimum Balance: None

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, and 101-476.
- **FRESH FRUITS AND VEGETABLES (Fund No. 24118)** Minimum Balance: None

To assist States, through cash grants, in providing free fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2006. Authorization granted under National School Lunch Act, as amended, 42 U.S.C. 1769.
- **IDEA-B "RISK POOL" (Fund No. 24120)** Minimum Balance: None

The IDEA-B "Risk Pool" program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.
- **IDEA-B STUDENT SUCCESS (Fund No. 24132)** Minimum Balance: None

The purpose of this grant award is to support activities included in the school's Educational Plan for Student Success, or areas in need of improvement, identified through the instructional audit. The program is funded by the United States government, under the Individuals with Disabilities Act, Public Law 108-446 Part B.
- **TITLE II TEACHER QUALITY (Fund No. 24154)** Minimum Balance: None

To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in the academic achievement. Authorization is granted through the Elementary and Secondary Education Act of 1965, as amended, Title II, Part A, Public Law 107-110.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds (cont'd)

- TITLE XIX MEDICAID (Fund No. 25153) Minimum Balance: None
To provide financial assistance from the Federal government which flows-through the State of New Mexico to school districts, for payments of medical assistance on behalf of cash assistance recipients, children, pregnant women and the aged who meet income and resource requirements, and other categorically-eligible groups. The program is funded by the U.S. government under the Social Security Act, Title XIX, as amended; Public Laws 92-223, 92-602, 93-66, 93-233, 96-499, 97-35, 97-2248, 98-369, 99-272, 99-509, 100-93, 100-202, 100-203, 100-360, 100-436, 100-485, 100-647, 101-166, 101-234, 101-239, 101-508, 101-517, 102-234, 102-170, 102-394, 103-66, 103-112, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.

- RURAL EDUCATION ACHIEVEMENT PROGRAM (Fund No. 25233) Minimum Balance: None
To account for funds received under the Small Rural School Achievement Program to enhance education.

- TURNER FOUNDATION (Fund No. 26156) Minimum Balance: None
To enhance the curriculum by utilizing nontraditional teaching methods (real life learning).

- A PLUS FOR ENERGY (Fund No. 26179) Minimum Balance: None
To assist high school lab based science courses in the study of energy resources.

- DUAL CREDIT INSTRUCTIONAL MATERIALS (Fund No. 27103) Minimum Balance: None
To provide instructional materials to be used for a dual credit course approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.

- LIBRARY GO BONDS 2012 (Fund No. 27107) Minimum Balance: None
Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).

- READS TO LEAD (Fund No. 27114) Minimum Balance: None
Provides an aligned approach for districts and schools to ensure that children can read by the end of third grade—giving them essential skills for future career and college success. It also provides regional and district reading coaches, supports for intervention, and professional development for parents, teachers, reading coaches, and administrators.

- INCENTIVE FOR SCHOOL IMPROVEMENTS (Fund No. 27138) Minimum Balance: None
These funds are used for school improvements, from lighting to encyclopedias. Funding is provided by the State of New Mexico. The creation of the fund is authorized by NMSA 1978 22-13A-5.

- PRE-K INITIATIVE (Fund No. 27149) Minimum Balance: None
The pre-k program shall address the total development needs of preschool children, including physical, cognitive, social and emotional needs, and shall include health care, nutrition, safety and multicultural sensitivity.

NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Nonmajor Special Revenue Funds (cont'd)

- BREAKFAST FOR ELEMENTARY STUDENTS (Fund No. 27155) Minimum Balance: None
The Breakfast for Elementary School program provides foods (at no charge) after the instructional day has begun, provided that instruction occurs simultaneously with breakfast. Authorized through 22-13-13.2 NMSA 1978; NMAC 6.12.9

- PARENT ADVOCACY PROJECT (Fund No. 27193) Minimum Balance: None
This is a grant to develop or request reimbursement for the Student-Parent Portal program for every District and Charter in NM. These portals can be used to deliver student information and reports to students and parents online. Parent portal and parent advocacy initiatives support the Governor's commitment to help parents stay better informed about their students.

- CS FOUNDATION (Fund No. 29102) Minimum Balance: None
To assist the school in providing educational services.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

Special Revenue Funds

	<u>Food Service Fund #21000</u>	<u>Athletics Fund #22000</u>	<u>Entitlement IDEA-B Fund #24106</u>	<u>Preschool IDEA-B Fund #24109</u>	<u>Fresh Fruits and Vegetables Fund #24118</u>
Assets					
Cash and cash equivalents	\$ 47,186	\$ 11,704	\$ 2,034	\$ 9,927	\$ -
Receivables:					
Grant	-	-	10,499	2,726	-
Food inventory	<u>464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 47,650</u>	<u>\$ 11,704</u>	<u>\$ 12,533</u>	<u>\$ 12,653</u>	<u>\$ -</u>
Liabilities, deferred inflows and fund balance					
Liabilities:					
Accounts payable	\$ -	\$ 199	\$ -	\$ -	\$ -
Accrued salaries	2,370	-	1,533	3	-
Due to other funds	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>12,650</u>	<u>-</u>
Total liabilities	<u>2,370</u>	<u>199</u>	<u>12,533</u>	<u>12,653</u>	<u>-</u>
Deferred inflows of resources:					
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:					
Non-spendable:					
Inventories	464	-	-	-	-
Restricted for:					
Special revenue funds	<u>44,816</u>	<u>11,505</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>45,280</u>	<u>11,505</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 47,650</u>	<u>\$ 11,704</u>	<u>\$ 12,533</u>	<u>\$ 12,653</u>	<u>\$ -</u>

(cont'd; 1 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds			
	IDEA-B "Risk Pool" <u>Fund #24120</u>	IDEA-B Student Success <u>Fund #24132</u>	Title II Teacher Quality <u>Fund #24154</u>	Title XIX Medicaid <u>Fund #25153</u>
Assets				
Cash and cash equivalents	\$ 1	\$ 1,409	\$ 1,417	\$ 526
Receivables:				
Grant	85	5,670	5,040	4,129
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 86</u>	<u>\$ 7,079</u>	<u>\$ 6,457</u>	<u>\$ 4,655</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	1,079	257	505
Due to other funds	<u>86</u>	<u>6,000</u>	<u>6,200</u>	<u>4,150</u>
Total liabilities	<u>86</u>	<u>7,079</u>	<u>6,457</u>	<u>4,655</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 86</u>	<u>\$ 7,079</u>	<u>\$ 6,457</u>	<u>\$ 4,655</u>

(cont'd; 2 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds			
	Rural Education Achievement Fund #25233	Turner Foundation Fund #26156	A Plus for Energy Fund #26179	Dual Credit Instructional Materials Fund #27103
Assets				
Cash and cash equivalents	\$ 2,667	\$ 4,377	\$ 870	\$ 1
Receivables:				
Grant	-	-	-	157
Food inventory	-	-	-	-
Total assets	\$ 2,667	\$ 4,377	\$ 870	\$ 158
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	-	-	-	158
Total liabilities	-	-	-	158
Deferred inflows of resources:				
Advances of federal, state, and local grants	2,667	-	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	4,377	870	-
Total fund balance	-	4,377	870	-
Total liabilities, deferred inflows of resources, and fund balance	\$ 2,667	\$ 4,377	\$ 870	\$ 158

(cont'd; 3 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds			
	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>	Incentives for School Improvement <u>Fund #27138</u>	Pre-K Initiative <u>Fund #27149</u>
Assets				
Cash and cash equivalents	\$ 4	\$ 5,278	\$ -	\$ 11,073
Receivables:				
Grant	15,396	9,117	-	2,775
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 15,400</u>	<u>\$ 14,395</u>	<u>\$ -</u>	<u>\$ 13,848</u>
Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	2,195	-	1,590
Due to other funds	<u>15,400</u>	<u>12,200</u>	<u>-</u>	<u>12,258</u>
Total liabilities	<u>15,400</u>	<u>14,395</u>	<u>-</u>	<u>13,848</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 15,400</u>	<u>\$ 14,395</u>	<u>\$ -</u>	<u>\$ 13,848</u>

(cont'd; 4 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds			Total Nonmajor Governmental Funds
	Breakfast for Elementary Students Fund #27155	Parent Advocacy Project Fund #27193	CS Foundation Fund #29102	
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ 67,906	\$ 166,380
Receivables:				
Grant	-	-	-	55,594
Food inventory	-	-	-	464
Total assets	\$ -	\$ -	\$ 67,906	\$ 222,438
 Liabilities, deferred inflows and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,350	\$ 1,549
Accrued salaries	-	-	-	9,532
Due to other funds	-	-	-	80,102
Total liabilities	-	-	1,350	91,183
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	2,667
Fund balance:				
Non-spendable:				
Inventories	-	-	-	464
Restricted for:				
Special revenue funds	-	-	66,556	128,124
Total fund balance	-	-	66,556	128,588
Total liabilities, deferred inflows of resources, and fund balance	\$ -	\$ -	\$ 67,906	\$ 222,438

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STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds			
	Food Service <u>Fund #21000</u>	Athletics <u>Fund #22000</u>	Entitlement IDEA- B <u>Fund #24106</u>	Preschool IDEA-B <u>Fund #24109</u>
Revenues:				
Intergovernmental - federal grants	\$ 219,046	\$ -	\$ 120,931	\$ 13,090
Intergovernmental - state grants	2,828	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	33,671	14,261	-	-
Investment and interest income	<u>86</u>	<u>1</u>	<u>-</u>	<u>-</u>
Total revenues	<u>255,631</u>	<u>14,262</u>	<u>120,931</u>	<u>13,090</u>
Expenditures:				
Current:				
Instruction	-	9,629	48,222	13,090
Support services:				
Students	-	-	22,543	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	23,139	-
Central Services	-	-	27,027	-
Food services operations	<u>241,301</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>241,301</u>	<u>9,629</u>	<u>120,931</u>	<u>13,090</u>
<i>Excess (deficiency) of revenues over expenditures</i>	14,330	4,633	-	-
Fund balance at beginning of the year	<u>30,950</u>	<u>6,872</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 45,280</u>	<u>\$ 11,505</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balance
Year Ended June 30, 2016

	Special Revenue Funds			
	Fresh Fruits and Vegetables <u>Fund #24118</u>	IDEA-B "Risk Pool" <u>Fund #24120</u>	IDEA-B Student Success <u>Fund #24132</u>	Title II Teacher Quality <u>Fund #24154</u>
Revenues:				
Intergovernmental - federal grants	\$ 8,367	\$ 31,594	\$ 19,980	\$ 16,577
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Investment and interest income	-	-	-	-
Total revenues	8,367	31,594	19,980	16,577
Expenditures:				
Current:				
Instruction	-	85	19,980	16,577
Support services:				
Students	-	-	-	-
Instruction	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Central Services	-	31,509	-	-
Food services operations	8,367	-	-	-
Total expenditures	8,367	31,594	19,980	16,577
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	\$ -	\$ -

(cont'd; 2 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds				
	Title XIX Medicaid <u>Fund #25153</u>	Rural Education Achievement <u>Fund #25233</u>	Turner Foundation <u>Fund #26156</u>	A Plus for Energy <u>Fund #26179</u>	Dual Credit Instructional Materials <u>Fund #27103</u>
Revenues:					
Intergovernmental - federal grants	\$ 20,642	\$ 12,603	\$ -	\$ -	\$ -
Intergovernmental - state grants	-	-	-	-	1,049
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Total revenues	20,642	12,603	-	-	1,049
Expenditures:					
Current:					
Instruction	-	9,525	8,996	-	1,049
Support services:					
Students	12,077	3,078	-	-	-
Instruction	-	-	-	-	-
General Administration	-	-	-	-	-
School Administration	8,565	-	-	-	-
Central Services	-	-	-	-	-
Food services operations	-	-	-	-	-
Total expenditures	20,642	12,603	8,996	-	1,049
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(8,996)	-	-
Fund balance at beginning of the year	-	-	13,373	870	-
Fund balance at end of the year	\$ -	\$ -	\$ 4,377	\$ 870	\$ -

(cont'd; 3 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds				
	Libraries GO		Incentives for		Breakfast for
	Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>	School Improvement <u>Fund #27138</u>	Pre-K Initiative <u>Fund #27149</u>	Elementary Students <u>Fund #27155</u>
Revenues:					
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - state grants	15,396	49,725	-	32,030	926
Contributions - private grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment and interest income	-	-	-	-	-
Total revenues	<u>15,396</u>	<u>49,725</u>	<u>-</u>	<u>32,030</u>	<u>926</u>
Expenditures:					
Current:					
Instruction	-	49,725	1,758	32,030	-
Support services:					
Students	-	-	-	-	-
Instruction	15,396	-	-	-	-
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Food services operations	-	-	-	-	926
Total expenditures	<u>15,396</u>	<u>49,725</u>	<u>1,758</u>	<u>32,030</u>	<u>926</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(1,758)	-	-
Fund balance at beginning of the year	-	-	1,758	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 4 of 5)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

NON-MAJOR GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Parent Advocacy Project <u>Fund #27193</u>	CS Foundation <u>Fund #29102</u>	
Revenues:			
Intergovernmental - federal grants	\$ -	\$ -	\$ 462,830
Intergovernmental - state grants	-	-	101,954
Contributions - private grants	-	45,000	45,000
Charges for services	-	-	47,932
Investment and interest income	-	-	87
Total revenues	-	45,000	657,803
Expenditures:			
Current:			
Instruction	-	42,603	253,269
Support services:			
Students	-	-	37,698
Instruction	-	-	15,396
General Administration	-	995	995
School Administration	-	-	31,704
Central Services	-	-	58,536
Food services operations	-	-	250,594
Total expenditures	-	43,598	648,192
<i>Excess (deficiency) of revenues over expenditures</i>	-	1,402	9,611
Fund balance at beginning of the year	-	65,154	118,977
Fund balance at end of the year	\$ -	\$ 66,556	\$ 128,588

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NONMAJOR GOVERNMENTAL FUNDS
BUDGETARY PRESENTATION

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FOOD SERVICE FUND - NO. 21000
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 174,439	\$ 197,809	\$ 210,695	\$ 12,886
Intergovernmental - state grants	1,200	1,200	2,828	1,628
Charges for services	27,300	27,300	33,671	6,371
Investment and interest income	<u>20</u>	<u>20</u>	<u>86</u>	<u>66</u>
Total revenues	202,959	226,329	247,280	20,951
Expenditures:				
Current:				
Food Services Operations	<u>228,751</u>	<u>252,121</u>	<u>250,316</u>	<u>1,805</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(25,792)	(25,792)	(3,036)	22,756
<i>Beginning cash balance budgeted</i>	25,792	25,792	-	(25,792)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>30,950</u>	<u>30,950</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	27,914	<u>\$ 27,914</u>
RECONCILIATION TO GAAP BASIS:				
Change in inventory			(48)	
Change in payables			<u>17,414</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 45,280</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ATHLETICS FUND - NO. 22000
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Charges for services	\$ 13,000	\$ 13,000	\$ 14,261	\$ 1,261
Investment and interest income	<u>5</u>	<u>5</u>	<u>1</u>	<u>(4)</u>
Total revenues	13,005	13,005	14,262	1,257
Expenditures:				
Current:				
Instruction	<u>15,072</u>	<u>17,572</u>	<u>9,430</u>	<u>8,142</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(2,067)	(4,567)	4,832	9,399
<i>Beginning cash balance budgeted</i>	2,067	4,567	-	(4,567)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>6,872</u>	<u>6,872</u>
Fund balance at end of the year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>11,704</u>	<u><u>\$ 11,704</u></u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			<u>(199)</u>	
Fund balance at end of the year (GAAP basis)			<u><u>\$ 11,505</u></u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

ENTITLEMENT IDEA-B FUND - NO. 24106

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 115,109	\$ 126,863	\$ 129,308	\$ 2,445
Expenditures:				
Current:				
Instruction	47,625	49,202	48,222	980
Support services:				
Students	17,500	26,664	22,544	4,120
School Administration	24,400	23,969	23,139	830
Central Services	<u>25,584</u>	<u>27,028</u>	<u>27,026</u>	<u>2</u>
Total expenditures	<u>115,109</u>	<u>126,863</u>	<u>120,931</u>	<u>5,932</u>
<i>Excess of revenues over expenditures</i>	-	-	8,377	8,377
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	8,377	<u>\$ 8,377</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>(8,377)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PRESCHOOL IDEA-B FUND - NO. 24109
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 12,123	\$ 13,519	\$ 12,546	\$ (973)
Expenditures:				
Current:				
Instruction	12,123	13,519	13,090	429
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(544)	(544)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(544)	\$ (544)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			544	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FRESH FRUITS AND VEGETABLES FUND - NO. 24118
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 8,367	\$ 8,367	\$ -
Expenditures:				
Current:				
Food Services Operations	-	8,367	8,367	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

IDEA-B "RISK POOL" FUND - NO. 24120
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 31,595	\$ 45,686	\$ 14,091
Expenditures:				
Current:				
Instruction	-	86	85	1
Support services:				
Central Services	-	31,509	31,509	-
Total expenditures	-	31,595	31,594	1
<i>Excess of revenues over expenditures</i>	-	-	14,092	14,092
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	14,092	\$ 14,092
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(14,092)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

IDEA-B STUDENT SUCCESS FUND - NO. 24132
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 20,000	\$ 20,000	\$ 14,310	\$ (5,690)
Expenditures:				
Current:				
Instruction	<u>20,000</u>	<u>20,000</u>	<u>19,980</u>	<u>20</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(5,670)	(5,670)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(5,670)	<u>\$ (5,670)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>5,670</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE II TEACHER QUALITY FUND - NO. 24154
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 34,006	\$ 17,867	\$ (16,139)
Expenditures:				
Current:				
Instruction	-	34,006	16,577	17,429
<i>Excess of revenues over expenditures</i>	-	-	1,290	1,290
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	1,290	<u>\$ 1,290</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(1,290)	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TITLE XIX MEDICAID FUND - NO. 25153
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - federal grants	\$ 13,152	\$ 20,752	\$ 16,514	\$ (4,238)
Expenditures:				
Current:				
Support services:				
Students	13,152	12,139	12,077	62
School Administration	-	8,613	8,565	48
Total expenditures	13,152	20,752	20,642	110
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(4,128)	(4,128)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(4,128)	\$ (4,128)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			4,128	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

RURAL EDUCATION ACHIEVEMENT FUND - NO. 25233
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 39,741	\$ 11,945	\$ (27,796)
Expenditures:				
Current:				
Instruction	15,655	26,655	9,525	17,130
Support services:				
Students	<u>3,629</u>	<u>13,086</u>	<u>3,078</u>	<u>10,008</u>
Total expenditures	<u>19,284</u>	<u>39,741</u>	<u>12,603</u>	<u>27,138</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(19,284)	-	(658)	(658)
<i>Beginning cash balance budgeted</i>	19,284	-	-	-
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(658)	<u>\$ (658)</u>
RECONCILIATION TO GAAP BASIS:				
Change in deferred revenue			<u>658</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

TURNER FOUNDATION FUND - NO. 26156

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	16,193	13,373	8,996	4,377
<i>Excess (deficiency) of revenues over expenditures</i>	(16,193)	(13,373)	(8,996)	4,377
<i>Beginning cash balance budgeted</i>	16,193	13,373	-	(13,373)
Fund balance at beginning of the year	-	-	13,373	13,373
Fund balance at end of the year	\$ -	\$ -	4,377	\$ 4,377
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 4,377	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

A PLUS FOR ENERGY FUND - NO. 26179

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	867	867	-	867
<i>Excess (deficiency) of revenues over expenditures</i>	(867)	(867)	-	867
<i>Beginning cash balance budgeted</i>	867	867	-	(867)
Fund balance at beginning of the year	-	-	870	870
Fund balance at end of the year	\$ -	\$ -	870	\$ 870
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 870	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

DUAL CREDIT INSTRUCTIONAL MATERIALS FUND - NO. 27103
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 1,050	\$ 892	\$ (158)
Expenditures:				
Current:				
Instruction	-	1,050	1,049	1
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(157)	(157)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(157)	<u>\$ (157)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			157	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

LIBRARIES GO BOND 2012 FUND - NO. 27107

**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 30,101	\$ 30,101	\$ -	\$ (30,101)
Expenditures:				
Current:				
Support services:				
Instruction	30,101	31,393	15,396	15,997
<i>Excess (deficiency) of revenues over expenditures</i>	-	(1,292)	(15,396)	(14,104)
<i>Beginning cash balance budgeted</i>	-	1,292	-	(1,292)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(15,396)	\$ (15,396)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			15,396	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

READS TO LEAD FUND - NO. 27114
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 50,000	\$ 50,000	\$ 48,930	\$ (1,070)
Expenditures:				
Current:				
Instruction	<u>50,000</u>	<u>50,000</u>	<u>49,725</u>	<u>275</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(795)	(795)
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	(795)	<u>\$ (795)</u>
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			<u>795</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ -</u>	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

INCENTIVES FOR SCHOOL IMPROVEMENT FUND - NO. 27138
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	1,759	1,758	1
<i>Excess (deficiency) of revenues over expenditures</i>	-	(1,759)	(1,758)	1
<i>Beginning cash balance budgeted</i>	-	1,759	-	(1,759)
Fund balance at beginning of the year	-	-	1,758	1,758
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PRE-K INITIATIVE FUND - NO. 27149
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 48,093	\$ 32,062	\$ 29,255	\$ (2,807)
Expenditures:				
Current:				
Instruction	48,093	32,062	32,030	32
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,775)	(2,775)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(2,775)	\$ (2,775)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			2,775	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

BREAKFAST FOR ELEMENTARY STUDENTS FUND - NO. 27155
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 926	\$ 926	\$ -
Expenditures:				
Current:				
Food Services Operations	-	926	926	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

PARENT ADVOCACY PROJECT FUND - NO. 27193
**Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ 4,995	\$ 4,995
Expenditures:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	4,995	4,995
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	4,995	\$ 4,995
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			(4,995)	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CS FOUNDATION FUND - NO. 29102
Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 45,000	\$ 45,000	\$ -
Expenditures:				
Current:				
Instruction	62,225	108,254	41,253	67,001
Support services:				
General Administration	1,172	1,900	995	905
Total expenditures	63,397	110,154	42,248	67,906
<i>Excess (deficiency) of revenues over expenditures</i>	(63,397)	(65,154)	2,752	67,906
<i>Beginning cash balance budgeted</i>	63,397	65,154	-	(65,154)
Fund balance at beginning of the year	-	-	65,154	65,154
Fund balance at end of the year	\$ -	\$ -	67,906	\$ 67,906
RECONCILIATION TO GAAP BASIS:				
Change in payables			(1,350)	
Fund balance at end of the year (GAAP basis)			\$ 66,556	

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OTHER SUPPLEMENTAL INFORMATION

(Schedules Required by the New Mexico State Auditor)

Schedule of Changes in Assets and Liabilities – Agency Funds

Schedule of Pledged Collateral

Cash Reconciliation

Schedule of Vendor Information

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2016

Activity		Balance			Transfers	Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2016</u>
100	Pay Pal E-Store	\$ 553	\$ 2	\$ -	\$ -	\$ 555
400	Annual Yearbook	1,121	1,434	1,393	-	1,162
401	Administration	-	43	-	-	43
402	High School Art	1,638	5	-	-	1,643
403	Booster Club	14,260	36,609	26,589	-	24,280
404	Cardwell Scholarship Fund	-	11,000	11,000	-	-
405	Juan Martinez Scholarship	21,948	36	1,000	-	20,984
406	CHS Cheerleaders	1,530	3	-	-	1,533
407	High School Photography	-	804	494	-	310
408	Elementary MOP	1,755	3	180	-	1,578
409	Elementary Yearbook	-	638	568	-	70
410	Elementary Principal	1,048	2,150	1,796	-	1,402
411	Elementary Art	861	1	458	-	404
412	PeeWee Basketball	844	1	-	-	845
413	Elementary Athletics	65	-	-	-	65
415	Class of 2012	2,125	2,550	4,622	-	53
416	District Nurse	840	503	226	-	1,117
417	Class of 2010	670	-	670	-	-
419	Class of 2011	4,142	294	2,253	-	2,183
420	Class of 2013	846	3,376	1,631	-	2,591
424	CMS Student Council	671	211	150	-	732
425	CMS 8Th Grade Dance	80	370	250	-	200
426	ENEMS Principal	3,182	5,930	3,808	-	5,304
427	MS Admin	279	381	39	-	621
428	MS Barn Fund	6,960	10,382	4,782	-	12,560
429	Universal Classroom	-	35	-	-	35
430	MS Art	13	-	-	-	13
431	MS Yearbook	1,654	2,123	2,348	-	1,429
434	MS Student Council	166	360	-	-	526
440	HS Principal	3,392	7,288	7,326	-	3,354
442	HS Student Council	141	106	139	-	108
445	HS Teachers	77	4	12	-	69
446	Band-Music	1,362	12,625	13,151	-	836
449	HS Exploratory	1,256	6,759	7,951	-	64
450	HS National Honor Society	149	44	50	-	143
451	Ram's Horn	542	1	542	-	1
452	RHOR	470	1	-	-	471
454	CHS Shop	258	5,568	740	-	5,086
455	HS Laser Shop/Business	2,400	6	-	-	2,406
458	Elementary VIP's	2,246	1,782	2,225	-	1,803
460	Zane Scholarship	\$ 12,531	\$ 533	\$ 500	\$ -	\$ 12,564

(cont'd; 1 of 2)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2016

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Transfers</u> <u>In / (Out)</u>	<u>June 30, 2016</u>
461	100 Years of Excellence	\$ 251	\$ 1	\$ -	\$ -	\$ 252
463	ENEMS Library	706	46	-	-	752
464	ENEMS K-2 Teachers	2,051	5,891	5,643	-	2,299
465	ENEMS 3-4 Teachers	5,312	12,547	12,142	-	5,717
470	MS FCA	3,605	5	1,491	-	2,119
476	HS FCA	1,216	-	1,216	-	-
479	HS Graphic Art	292	1	-	-	293
481	CHS Rams E-Store	1,251	-	-	-	1,251
482	CHS Broadcast	3,092	5	890	-	2,207
483	Culinary Arts	1,051	2,797	-	-	3,848
485	ENEMS Beta Club	326	1,091	160	-	1,257
486	District Sams Rewards	-	250	-	-	250
487	WERC Environmental Design	231	-	-	-	231
488	District Athletics	<u>1,465</u>	<u>5,066</u>	<u>4,705</u>	<u>-</u>	<u>1,826</u>
	Pooled cash and investments	<u>\$ 112,924</u>	<u>\$ 141,661</u>	<u>\$ 123,140</u>	<u>\$ -</u>	<u>\$ 131,445</u>
 <u>LIABILITIES</u>						
	Deposits held for others	<u>\$ 112,924</u>	<u>\$ 141,661</u>	<u>\$ 123,140</u>	<u>\$ -</u>	<u>\$ 131,445</u>

(2 of 2)

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2016

	<u>International Bank</u>
Cash on deposit at June 30, 2016:	
Checking and savings	\$ 4,892,202
Less: FDIC coverage	(250,000)
Uninsured funds	<u>\$ 4,642,202</u>
 Amount requiring pledged collateral:	
50% collateral requirement	\$ 2,321,101
Pledged collateral	<u>3,214,208</u>
Excess (deficiency) of pledged collateral	<u>\$ 893,107</u>

Pledged collateral of financial institutions consists of the following at June 30, 2016

<u>International Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FHLB	12/28/2016	3130A0C65	\$ 400,283
FNMA	11/27/2018	3135G0YT4	2,038,128
FNMA	12/20/2018	3136G12K4	100,119
FHLB	12/6/2019	313381ED3	225,015
FHLB	12/13/2019	313381DN2	50,003
FHLB	12/13/2019	313381DN2	125,008
FHLMC	4/21/2021	3134G8ZV4	<u>275,652</u>
			<u>\$ 3,214,208</u>

The above securities are held at Federal Reserve, Denver, CO.

STATE OF NEW MEXICO
CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

CASH RECONCILIATION
Year Ended June 30, 2016

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 250,829	\$ 4,361,615	\$ 4,238,918	\$ 30,430	\$ 403,956	\$ -	\$ 403,956
Transportation	15	452,346	452,351	(8)	2	-	2
Instructional Materials	37,447	26,807	44,365	-	19,889	-	19,889
Food Services	47,852	247,280	250,316	2,370	47,186	-	47,186
Athletics	6,872	14,262	9,430	-	11,704	-	11,704
Federal Flowthrough Funds	41,187	297,758	284,984	(1,725)	52,236	-	52,236
Federal Direct Funds	3,324	28,459	33,245	4,655	3,193	-	3,193
Local Grants	14,243	-	8,996	-	5,247	-	5,247
State Flowthrough Funds	1,936	84,997	100,884	30,307	16,356	-	16,356
Local/State	65,154	45,000	42,248	-	67,906	-	67,906
Bond Building	3,832,367	6,359	2,790,090	-	1,048,636	-	1,048,636
Capital Improvements HB-33	54,059	2,212	35,519	-	20,752	-	20,752
Capital Improvements SB-9	1,527,420	753,719	415,350	-	1,865,789	-	1,865,789
Ed Technology Equipment Act	337,146	35,279	320,998	-	51,427	-	51,427
Debt Service	619,242	704,626	711,546	-	612,322	-	612,322
Ed Tech Debt Service	374,231	347,117	360,593	-	360,755	-	360,755
Agency Funds						131,445	131,445
Total	\$ 7,213,324	\$ 7,407,836	\$ 10,099,833	\$ 66,029	\$ 4,587,356	\$ 131,445	\$ 4,718,801

Account Name	Account Type	Bank Name	Bank Amount	Adjustments to report:
Operational	Checking - Interest	International Bank	\$ 74,023	Agency funds
Cafeteria	Checking - Interest	International Bank	44,816	
Activities	Checking - Interest	International Bank	131,365	
SB 9	Checking - Interest	International Bank	2,971,123	Adjustments to cash:
CHS E Store	Checking - Interest	International Bank	555	Bank Balance
Ed Tech	Checking - Interest	International Bank	57,439	Cash on hand
Debt Service	Checking - Interest	International Bank	973,077	Outstanding deposits
Special Investment	Checking - Interest	International Bank	627,844	Outstanding checks
Zane Scholarship	CD	International Bank	11,960	Errors
			\$ 4,892,202	Total adjusted cash
				\$ 4,718,801

CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

SCHEDULE OF VENDOR INFORMATION

(Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)
Year Ended June 30, 2016

Prepared by (Agency Staff Name): Anita Padilla Title: Procurement Specialist Date: October 28, 2016

RFI/RFP #	Type of Procurement	Awarded To	Amount of Awarded Contract	Amount of Amended Contract	Name and Physical Address of All Respondents	In-State / Out-of-State Vendor	Veteran's Preference N/A for Federal Funds	Scope of Work
	RFQ	HB CONSTRUCTION INC	\$ 3,469,358		ALBUQUERQUE, NM			BOND-MVHS
		DURHAM SCHOOL SERVICES LP	\$ 381,604		LOS ANGELES, CA			TRANSPORTATION
	RFQ	HIGH PLAINS REC LIVING DESIGNS GROUP INC	\$ 342,805	\$ 177,008	RATON, NM TAOS, NM			OPERATIONAL OPERATIONAL
	RFB	SUMMIT FOOD SERVICES MGT LLC	\$ 177,000		ATLANTA, GA			CAFETERIA
	RFP	TASCOSA OFFICE MACHINES INC	\$ 141,838		RATON, NM			SB-9
	RFQ	LIVING DESIGNS GROUP INC	\$ 85,231		TAOS, NM			OPERATIONAL
	STATE CONTRACT	CDWG INC	\$ 80,105		CHICAGO, IL			TECH TAX
	RFQ	HB CONSTRUCTION INC	\$ 77,522		ALBUQUERQUE, NM			BOND-MVHS
	STATE CONTRACT	CDWG INC	\$ 75,903		CHICAGO, IL			BOND-MVHS

COMPONENT UNITS

MORENO VALLEY HIGH SCHOOL

MORENO VALLEY EDUCATION FOUNDATION

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

STATEMENT OF NET POSITION
 June 30, 2016

	Primary Government	Component Unit
	Governmental Activities	Moreno Valley Education Foundation
Assets		
Cash and cash equivalents	\$ 214,543	\$ 132,373
Receivables:		
Delinquent property taxes receivable	984	-
Grant	26,282	-
Non-current:		
Non-depreciable assets	-	258,571
Depreciable capital assets, net	1,509,894	2,787
Total Assets	1,751,703	393,731
Deferred Outflows of Resources:		
Contributions to pension subsequent to the measurement date	69,894	-
Net change in pension assumptions	42,263	-
Net change in proportionate share of pension liability	34,059	-
Total Deferred Outflows of Resources	146,216	-
Liabilities		
Accounts payable	6,425	-
Accrued salaries	15,643	-
Aggregate net pension liability	1,228,737	-
Total Liabilities	1,250,805	-
Deferred Inflows of Resources		
Difference between expected and actual experience	23,480	-
Net difference between projected and actual investment earnings on plan investments	4,832	-
Net change in proportionate share of pension liability	74,206	-
Total Deferred Inflows of Resources	102,518	-
Net Position		
Net investment in capital assets	1,509,894	261,358
Restricted for:		
Special revenue funds	1,881	-
Capital projects	71,042	-
Unrestricted	(1,038,221)	132,373
Total Net Position	\$ 544,596	\$ 393,731

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS
Combining Balance Sheet
 June 30, 2016

	General Funds			Special Revenue Funds		
	Operational Fund	Instructional Materials Fund	General Fund	Entitlement IDEA-B Fund #24106	IDEA-B "Risk Pool" Fund #24120	Libraries GO Bond 2010 Fund #27106
Assets						
Cash and cash equivalents	\$ 129,112	\$ 7,960	\$ 137,072	\$ -	\$ -	\$ -
Receivables:						
Property taxes	-	-	-	-	-	-
Grant	-	-	-	22,159	-	1,018
Due from other funds	<u>26,282</u>	<u>-</u>	<u>26,282</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 155,394</u>	<u>\$ 7,960</u>	<u>\$ 163,354</u>	<u>\$ 22,159</u>	<u>\$ -</u>	<u>\$ 1,018</u>
Liabilities and fund balance						
Liabilities:						
Accounts payable	\$ 893	\$ -	\$ 893	\$ -	\$ -	\$ -
Accrued salaries	15,643	-	15,643	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,159</u>	<u>-</u>	<u>1,018</u>
Total liabilities	<u>16,536</u>	<u>-</u>	<u>16,536</u>	<u>22,159</u>	<u>-</u>	<u>1,018</u>
Fund balance:						
Restricted for:						
Special revenue funds	-	-	-	-	-	-
Unassigned	<u>138,858</u>	<u>7,960</u>	<u>146,818</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>138,858</u>	<u>7,960</u>	<u>146,818</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 155,394</u>	<u>\$ 7,960</u>	<u>\$ 163,354</u>	<u>\$ 22,159</u>	<u>\$ -</u>	<u>\$ 1,018</u>

(cont'd; 1 of 3)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS
Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds			Total Special Revenue Funds
	Libraries GO Bond 2012 Fund #27107	Beginning Teacher Mentoring Fund #27154	STEM Teacher Initiative Fund #27181	
Assets				
Cash and cash equivalents	\$ -	\$ 1,881	\$ -	\$ 1,881
Receivables:				
Property taxes	-	-	-	-
Grant	3,105	-	-	26,282
Due from other funds	-	-	-	-
Total assets	\$ 3,105	\$ 1,881	\$ -	\$ 28,163
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-
Due to other funds	3,105	-	-	26,282
Total liabilities	3,105	-	-	26,282
Fund balance:				
Restricted for:				
Special revenue funds	-	1,881	-	1,881
Unassigned	-	-	-	-
Total fund balance	-	1,881	-	1,881
Total liabilities and fund balance	\$ 3,105	\$ 1,881	\$ -	\$ 28,163

(cont'd; 2 of 3)

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS
Combining Balance Sheet
 June 30, 2016

	Capital Projects Funds		Total Capital Projects Funds	Total Governmental Funds
	Public School Capital Outlay Fund #31200	Capital Improvements SB-9 Fund #31700		
Assets				
Cash and cash equivalents	\$ -	\$ 75,590	\$ 75,590	\$ 214,543
Receivables:				
Property taxes	-	984	984	984
Grant	-	-	-	26,282
Due from other funds	-	-	-	26,282
Total assets	\$ -	\$ 76,574	\$ 76,574	\$ 268,091
 Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ 5,532	\$ 5,532	\$ 6,425
Accrued salaries	-	-	-	15,643
Due to other funds	-	-	-	26,282
Total liabilities	-	5,532	5,532	48,350
Fund balance:				
Restricted for:				
Special revenue funds	-	-	-	1,881
Unassigned	-	-	-	146,818
Total fund balance	-	71,042	71,042	219,741
Total liabilities and fund balance	\$ -	\$ 76,574	\$ 76,574	\$ 268,091

(3 of 3)

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS
 TO THE STATEMENT OF NET POSITION
June 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - total governmental funds	\$	219,741
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		1,879,575
Accumulated depreciation		(369,681)
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		69,894
Net change in pension assumptions		42,263
Net change in proportionate share of pension liability		34,059
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Net pension liability		(1,228,737)
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Difference between expected and actual experience		(23,480)
Net difference between projected and actual investment earnings on plan investments		(4,832)
Net change in proportionate share of pension liability		(74,206)
Net position of governmental activities	\$	<u><u>544,596</u></u>

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance
 Year Ended June 30, 2016**

	General Funds			Special Revenue Funds	
	Operational Fund	Instructional Materials Fund	General Fund	Entitlement IDEA-B Fund #24106	IDEA-B "Risk Pool" Fund #24120
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	27,026	31,509
Intergovernmental - state grants	856,978	5,004	861,982	-	-
Charges for services	<u>2,000</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Total revenues	<u>858,978</u>	<u>5,004</u>	<u>863,982</u>	<u>27,026</u>	<u>31,509</u>
Expenditures:					
Current:					
Instruction	507,096	1,443	508,539	27,026	31,509
Support services:					
Students	18,286	-	18,286	-	-
Instruction	97	-	97	-	-
General Administration	61,297	-	61,297	-	-
School Administration	114,312	-	114,312	-	-
Central Services	39,664	-	39,664	-	-
Operation & Maintenance of Plant	<u>58,916</u>	<u>-</u>	<u>58,916</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>799,668</u>	<u>1,443</u>	<u>801,111</u>	<u>27,026</u>	<u>31,509</u>
<i>Excess of revenues over expenditures</i>	59,310	3,561	62,871	-	-
Fund balance at beginning of the year	<u>79,548</u>	<u>4,399</u>	<u>83,947</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ 138,858</u>	<u>\$ 7,960</u>	<u>\$ 146,818</u>	<u>\$ -</u>	<u>\$ -</u>

(cont'd; 1 of 3)

The notes to the financial statements are an integral part of this statement.

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance**
Year Ended June 30, 2016

	Special Revenue Funds				Total Special Revenue Funds
	Libraries GO Bond 2010 Fund #27106	Libraries GO Bond 2012 Fund #27107	Beginning Teacher Mentoring Fund #27154	STEM Teacher Initiative Fund #27181	
Revenues:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental - federal grants	-	-	-	-	58,535
Intergovernmental - state grants	-	3,105	-	12,150	15,255
Charges for services	-	-	-	-	-
Total revenues	-	3,105	-	12,150	73,790
Expenditures:					
Current:					
Instruction	-	-	-	12,150	70,685
Support services:					
Students	-	-	-	-	-
Instruction	-	3,105	-	-	3,105
General Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Central Services	-	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-	-
Total expenditures	-	3,105	-	12,150	73,790
<i>Excess of revenues over expenditures</i>	-	-	-	-	-
Fund balance at beginning of the year	-	-	1,881	-	1,881
Fund balance at end of the year	\$ -	\$ -	\$ 1,881	\$ -	\$ 1,881

(cont'd; 2 of 3)

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

GOVERNMENTAL FUNDS
**Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balance**
Year Ended June 30, 2016

	Capital Projects Funds			
	Public School Capital Outlay Fund #31200	Capital Improvements SB-9 Fund #31700	Total Capital Projects Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	\$ -	\$ 125,135	\$ 125,135	\$ 125,135
Intergovernmental - federal grants	-	-	-	58,535
Intergovernmental - state grants	56,154	-	56,154	933,391
Charges for services	-	-	-	2,000
Total revenues	56,154	125,135	181,289	1,119,061
Expenditures:				
Current:				
Instruction	-	-	-	579,224
Support services:				
Students	-	-	-	18,286
Instruction	-	-	-	3,202
General Administration	-	1,241	1,241	62,538
School Administration	-	-	-	114,312
Central Services	-	-	-	39,664
Operation & Maintenance of Plant	56,154	52,852	109,006	167,922
Total expenditures	56,154	54,093	110,247	985,148
<i>Excess of revenues over expenditures</i>	-	71,042	71,042	133,913
Fund balance at beginning of the year	-	-	-	85,828
Fund balance at end of the year	\$ -	\$ 71,042	\$ 71,042	\$ 219,741

(3 of 3)

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

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

Net change in fund balance - total governmental funds	\$	133,913
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year</p>		
Depreciation		(45,029)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Loss on asset disposal		(89,814)
Deferred contributions to pension plan		69,894
Pension expense		<u>(86,119)</u>
Change in net position of governmental activities	\$	<u><u>(17,155)</u></u>

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
(COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

AGENCY FUNDS
Statement of Fiduciary Assets and Liabilities
June 30, 2016

ASSETS

Pooled cash and investments	\$ <u>18,675</u>
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LIABILITIES

Deposits held for others	\$ <u>18,675</u>
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The notes to the financial statements are an integral part of this statement.

MORENO VALLEY HIGH SCHOOL
(COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

General Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- OPERATING FUND (Fund No. 11000) Minimum Balance: None
The government's primary fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

- INSTRUCTIONAL MATERIALS FUND (Fund No. 14000) Minimum Balance: None
Accounts for all the Instructional Materials funds received through the state for the purpose of acquiring study materials for the students.

Special Revenue Funds

Special revenue funds are operating funds used to account for the proceeds of specific revenue sources that are intended for specific purposes other than special assessments or major capital projects.

- ENTITLEMENT IDEA-B (Fund No. 24106) Minimum Balance: None
Program provides grants to states that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

- IDEA-B "RISK POOL" (Fund No. 24120) Minimum Balance: None
The IDEA-B "Risk Pool" program is to provide grants to states, that flow-through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

- LIBRARY GO BONDS 2010 (Fund No. 27106) Minimum Balance: None
To be used to fund each library facility for improvement or acquisition and to acquire library books and library resources to support the library program. Funds generated by GO Bonds may not be used to supplant existing or prior library material funding within school districts receiving these monies. This funding will supplement and be in addition to current and existing funding. Authorized through Senate Bill 2010 SB333

- LIBRARY GO BONDS 2012 (Fund No. 27107) Minimum Balance: None
Funds to be used for library books and library resources for public school libraries statewide. Library resources include computers, software, projectors, televisions, other related hardware and software, shelving, desks, chairs, and book trucks/carts. Senate Bill 66, Laws of 2012, 2nd Session, Chapter 54, Section 10.B.(3).

- BEGINNING TEACHER MENTORING (Fund No. 27154) Minimum Balance: None
Funds to assist school districts in the design, implementation, and evaluation of beginning teacher mentoring programs. Funding is provided through the 2000 legislative session, with appropriated funds from the General Appropriations Act.

- STEM TEACHER INITIATIVE (Fund No. 27181) Minimum Balance: None
The purpose of these funds is to provide a \$5,000 stipend per year to 125 highly effective STEM teachers to teach Science, Technology, Engineering, or Mathematics (grades 7-12) for two years to serve in hard to staff (low performing CD/F), rural, urban) schools.

MORENO VALLEY HIGH SCHOOL
(COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2016

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- PUBLIC SCHOOL CAPITAL OUTLAY (Fund No. 31200) Minimum Balance: None

This fund provides financing from Public Schools Critical Capital Outlay committee under chapter and laws of the New Mexico Lottery Receipts Act.

- CAPITAL IMPROVEMENTS SB – 9 (Fund No. 31700) Minimum Balance: None

This fund provides financing for the purchase of equipment and capital improvements to School District property. Funding is received from a 2 mill property tax levy and interest earned on investments, under New Mexico Senate Bill 9.

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

OPERATIONAL FUND - NO. 11000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 843,081	\$ 856,700	\$ 856,978	\$ 278
Charges for services	100	100	2,000	1,900
Total revenues	843,181	856,800	858,978	2,178
Expenditures:				
Current:				
Instruction	563,834	575,118	507,096	68,022
Support services:				
Students	13,290	46,701	18,286	28,415
Instruction	700	700	97	603
General Administration	51,990	63,022	61,297	1,725
School Administration	102,341	126,885	114,312	12,573
Central Services	37,832	40,096	39,664	432
Operation & Maintenance of Plant	83,581	87,192	59,193	27,999
Total expenditures	853,568	939,714	799,945	139,769
<i>Excess (deficiency) of revenues over expenditures</i>	(10,387)	(82,914)	59,033	141,947
<i>Beginning cash balance budgeted</i>	10,387	82,914	-	(82,914)
Fund balance at beginning of the year	-	-	79,548	79,548
Fund balance at end of the year	\$ -	\$ -	138,581	\$ 138,581
RECONCILIATION TO GAAP BASIS:				
Change in payables			277	
Fund balance at end of the year (GAAP basis)			\$ 138,858	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

INSTRUCTIONAL MATERIALS FUND - NO. 14000
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ 4,127	\$ 4,985	\$ 5,004	\$ 19
Expenditures:				
Current:				
Instruction	7,372	8,230	1,443	6,787
<i>Excess (deficiency) of revenues over expenditures</i>	(3,245)	(3,245)	3,561	6,806
<i>Beginning cash balance budgeted</i>	3,245	3,245	-	(3,245)
Fund balance at beginning of the year	-	-	4,399	4,399
Fund balance at end of the year	\$ -	\$ -	7,960	\$ 7,960
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 7,960	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

ENTITLEMENT IDEA-B FUND - NO. 24106

**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental - federal grants	\$ 25,584	\$ 27,028	\$ 27,026	\$ (2)
Expenditures:				
Current:				
Instruction	25,584	27,028	27,026	2
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

IDEA-B "RISK POOL" FUND - NO. 24120
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental - federal grants	\$ -	\$ 31,509	\$ 31,509	\$ -
Expenditures:				
Current:				
Instruction	-	31,509	31,509	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

LIBRARIES GO BOND 2010 FUND - NO. 27106

**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

LIBRARIES GO BOND 2012 FUND - NO. 27107

**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental - state grants	\$ 6,307	\$ 6,307	\$ -	\$ (6,307)
Expenditures:				
Current:				
Support services:				
Instruction	6,307	6,307	3,105	3,202
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(3,105)	(3,105)
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	(3,105)	\$ (3,105)
RECONCILIATION TO GAAP BASIS:				
Change in grant receivable			3,105	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

BEGINNING TEACHER MENTORING FUND - NO. 27154

**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	1,881	1,881
Fund balance at end of the year	\$ -	\$ -	1,881	\$ 1,881
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ 1,881	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

STEM TEACHER INITIATIVE FUND - NO. 27181

**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
 Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 12,150	\$ 12,150	\$ -
Expenditures:				
Current:				
Instruction	-	12,150	12,150	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

PUBLIC SCHOOL CAPITAL OUTLAY FUND - NO. 31200
Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)
Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
Revenues:				
Intergovernmental - state grants	\$ -	\$ 56,323	\$ 56,154	\$ (169)
Expenditures:				
Current:				
Support services:				
Operation & Maintenance of Plant	-	56,323	56,154	169
<i>Excess of revenues over expenditures</i>	-	-	-	-
Fund balance at beginning of the year	-	-	-	-
Fund balance at end of the year	\$ -	\$ -	-	\$ -
RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
Fund balance at end of the year (GAAP basis)			\$ -	

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31700

**Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**
 Year Ended June 30, 2016

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
Revenues:				
Taxes:				
Property	\$ -	\$ 90,393	\$ 124,152	\$ 33,759
Intergovernmental - state grants	<u>8,609</u>	<u>11,105</u>	<u>-</u>	<u>(11,105)</u>
Total revenues	<u>8,609</u>	<u>101,498</u>	<u>124,152</u>	<u>22,654</u>
Expenditures:				
Current:				
Support services:				
General Administration	-	2,500	1,241	1,259
Operation & Maintenance of Plant	8,609	78,998	47,321	31,677
Capital outlay:				
Equipment	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures	<u>8,609</u>	<u>101,498</u>	<u>48,562</u>	<u>52,936</u>
<i>Excess (deficiency) of revenues</i>				
<i>Excess of revenues over expenditures</i>				
	-	-	75,590	75,590
Fund balance at beginning of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of the year	<u>\$ -</u>	<u>\$ -</u>	75,590	<u>\$ 75,590</u>
RECONCILIATION TO GAAP BASIS:				
Change in property tax receivable			984	
Change in payables			<u>(5,532)</u>	
Fund balance at end of the year (GAAP basis)			<u>\$ 71,042</u>	

OTHER SUPPLEMENTAL INFORMATION
(MORENO VALLEY HIGH SCHOOL)

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

FIDUCIARY FUNDS
Schedule of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 2016

Activity		Balance			Transfers	Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2015</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>In / (Out)</u>	<u>June 30, 2016</u>
011	Art	\$ 672	\$ -	\$ -	\$ 19	\$ 691
003	Band	281	-	-	-	281
002	Booster Club	-	-	-	-	-
013	BVEF	5,372	15,536	13,388	5,212	12,732
018	Class of 2015	620	-	-	(620)	-
018	Class of 2016	-	3,195	2,684	(511)	-
000	Drama	557	1,331	1,979	215	124
004	Fundraiser	51	-	-	(10)	41
009	Grants	33	1,050	658	10	435
016	Greenhouse	464	-	-	(400)	64
021	Interact Club	1,473	572	600	-	1,445
022	Kitchen	12	-	-	-	12
012	Math	239	-	-	-	239
024	National Honor Society	236	-	-	-	236
015	PE	7	2,083	2,083	-	7
005	Recycling/Green	29	-	-	-	29
019	Scholarships	180	-	-	-	180
008	Ski/Snowboard	40	550	525	-	65
020	Student Council	734	-	-	(700)	34
023	Technology	416	-	-	-	416
001	UAV	1	-	-	-	1
006	Variety Show	215	-	-	(215)	-
007	Yearbook	<u>5,129</u>	<u>977</u>	<u>1,463</u>	<u>(3,000)</u>	<u>1,643</u>
	Pooled cash and investments	<u>\$ 16,761</u>	<u>\$ 25,294</u>	<u>\$ 23,380</u>	<u>\$ -</u>	<u>\$ 18,675</u>
	LIABILITIES					
	Deposits held for others	<u>\$ 16,761</u>	<u>\$ 25,294</u>	<u>\$ 23,380</u>	<u>\$ -</u>	<u>\$ 18,675</u>

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2016

	International <u>Bank</u>	Washington <u>Federal Bank</u>	<u>Total</u>
Cash on deposit at June 30, 2015:			
Checking and savings	\$ 210,700	\$ 18,675	\$ 229,375
Less: FDIC coverage	<u>(210,700)</u>	<u>(18,675)</u>	<u>(229,375)</u>
Uninsured funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Amount requiring pledged collateral:			
50% collateral requirement	\$ -	\$ -	\$ -
Pledged collateral	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of pledged collateral	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

CASH RECONCILIATION
 Year Ended June 30, 2016

	<u>Beginning Cash</u>	<u>Receipts</u>	<u>Distributions</u>	<u>Other</u>	<u>Net Cash End of Period</u>	<u>Adjustments to the report</u>	<u>Total Cash on Report</u>
Operations	\$ 64,815	\$ 858,978	\$ 799,945	\$ 5,264	\$ 129,112	\$ -	\$ 129,112
Instructional Materials	4,399	5,004	1,443	-	7,960	-	7,960
State Flowthrough Funds	1,881	12,150	15,255	3,105	1,881	-	1,881
Capital Improvements SB-9	-	124,152	48,562	-	75,590	-	75,590
Agency Funds	-	-	-	-	-	18,675	18,675
Total	<u>\$ 71,095</u>	<u>\$ 1,114,973</u>	<u>\$ 979,894</u>	<u>\$ 8,369</u>	<u>\$ 214,543</u>	<u>\$ 18,675</u>	<u>\$ 233,218</u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>		
Operational	Checking - Interest	International Bank	\$ 210,700	Adjustments to report:	
Activities	Checking - Interest	First National Bank	<u>18,675</u>	Agency funds	<u>\$ 18,675</u>
			<u>\$ 229,375</u>	Adjustments to cash:	
				Bank Balance	\$ 229,375
				Cash on hand	50
				Outstanding deposits	25,110
				Outstanding checks	(21,317)
				Errors	-
				Total adjustment to cash	<u>\$ 233,218</u>

STATE OF NEW MEXICO
MORENO VALLEY HIGH SCHOOL CHARTER SCHOOL
 (COMPONENT UNIT OF CIMARRON MUNICIPAL SCHOOLS)

SCHEDULE OF VENDOR INFORMATION
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)
Year Ended June 30, 2016

Prepared by (Agency Staff Name): Amy Trevino Title: Business Manager Date: October 27, 2016

<u>RFB/RFP #</u>	<u>Type of Procurement</u>	<u>Awarded To</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State / Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
None Issued								

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MORENO VALLEY EDUCATION FOUNDATION

(COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

STATE OF NEW MEXICO
MORENO VALLEY EDUCATION FOUNDATION
(COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

PROPRIETARY FUND
STATEMENT OF NET POSITION
June 30, 2016

Assets	
Current assets:	
Cash and cash equivalents	\$ <u>132,373</u>
Noncurrent assets:	
Capital assets:	
Land	258,571
Equipment	63,843
Less: accumulated depreciation	<u>(61,056)</u>
Total noncurrent assets	<u>261,358</u>
Total Assets	\$ <u>393,731</u>
 Net Position	
Net investment in capital assets	\$ 261,358
Unrestricted	<u>132,373</u>
Total Net Position	\$ <u>393,731</u>

The Notes to the Financial Statements are an Integral Part of This Statement

STATE OF NEW MEXICO
MORENO VALLEY EDUCATION FOUNDATION
(COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

PROPRIETARY FUND
**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION**
Year ended June 30, 2016

Operating revenue:	
Donations	\$ <u>400</u>
Operating expenses:	
Office expense	360
Equipment rental	105
Insurance	1,130
Licenses and taxes	35
Legal and professional	5,280
Professional development	3,495
Miscellaneous	1,398
Depreciation	<u>801</u>
Total operating expenses	<u>12,604</u>
<i>Operating income (loss)</i>	(12,204)
Non-Operating income (expenses):	
Gain or loss on sale of asset	<u>(4,543)</u>
<i>Change in net position</i>	(16,747)
Net position - beginning	<u>410,478</u>
Net position - ending	<u>\$ <u>393,731</u></u>

STATE OF NEW MEXICO
MORENO VALLEY EDUCATION FOUNDATION
 (COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

PROPRIETARY FUND
STATEMENT OF CASH FLOWS
 Year ended June 30, 2016

Cash Flows from Operating Activities	
Cash received from customers	\$ 400
Cash payments for supplies and maintenance	(11,803)
Net cash Provided by (used in) operating activities	<u>(11,403)</u>
 Cash Flows from Capital and Related Financial Activities	
Proceeds from land sale	20,000
Purchases of capital assets	(577)
Gain from sale of capital assets	(4,543)
Net cash Provided by (used in) capital and related financing activities	<u>14,880</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	3,477
 Cash and cash equivalents at beginning of year	 <u>128,896</u>
Cash and cash equivalents at end of year	<u><u>\$ 132,373</u></u>
 Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating income	\$ (12,204)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	801
Net cash Provided by (used in) operating activities	<u><u>\$ (11,403)</u></u>

The Notes to the Financial Statements are an Integral Part of This Statement

OTHER SUPPLEMENTAL INFORMATION
(MORENO VALLEY EDUCATION FOUNDATION)

STATE OF NEW MEXICO
MORENO VALLEY EDUCATION FOUNDATION
 (COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

SCHEDULE OF PLEDGED COLLATERAL
June 30, 2016

	<u>International Bank</u>
Cash on deposit at June 30, 2016:	
Cash on deposit	\$ 133,448
Less FDIC Coverage	<u>(133,448)</u>
Total uninsured funds	<u><u>\$ -</u></u>

Amount requiring pledged collateral:	
50% collateral requirement	\$ -
Pledged collateral	<u>-</u>
Excess (deficiency) of pledged collateral	<u><u>\$ -</u></u>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>
Operating	Checking - Non Interest	International Bank	<u><u>\$ 133,448</u></u>

Adjustments to cash:	
Bank Balance	\$ 133,448
Reconciling items	<u>(1,075)</u>
Cash and cash equivalents	<u><u>\$ 132,373</u></u>

STATE OF NEW MEXICO
MORENO VALLEY EDUCATION FOUNDATION
 (COMPONENT UNIT OF MORENO VALLEY HIGH SCHOOL)

SCHEDULE OF VENDOR INFORMATION
 (Individual Purchases in Exceeding \$60,000, Excluding Gross Receipts Tax)
Year ended June 30, 2016

Prepared by (Agency Staff Name): Carl Nelson Title: President Date: 10/01/16

<u>RFB/RF# #</u>	<u>Type of Procurement</u>	<u>Awarded To</u>	<u>Amount of Awarded Contract</u>	<u>Amount of Amended Contract</u>	<u>Name and Physical Address of All Respondents</u>	<u>In-State / Out-of-State Vendor</u>	<u>Veteran's Preference N/A for Federal Funds</u>	<u>Scope of Work</u>
N/A		None	\$ -	\$ -				

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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

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Schedule of Findings and Responses:
Summary of Auditor's Results
Financial Statement Findings

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Summary Schedule of Prior Year Audit Findings

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Required Disclosure

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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

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of Cimarron Municipal School District No. 3

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Cimarron Municipal School District No. 3 as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Cimarron Municipal School District No. 3's basic financial statements, and the combining and individual funds and related budgetary comparisons of Cimarron Municipal School District No. 3, presented as supplemental information, and have issued our report thereon dated November 2, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, of the financial statements, we considered Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's internal control. Accordingly, we do not express an opinion on the effectiveness of Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3'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.

Tim Keller, State Auditor
The Board of Education and
The Audit Committee of Cimarron Municipal School District No. 3

Compliance and other matters

As part of obtaining reasonable assurance about whether Cimarron Municipal School District No. 3'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. We also noted certain other matters that are required to be reported pursuant to Government Auditing Standards and pursuant to Section 12-6-5, NMSA 1978, which are described in the accompanying schedule of findings and questioned costs as findings 2016-001 and 2016-002.

Cimarron Municipal School District No. 3's Response to Findings

Cimarron Municipal School District No. 3 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Cimarron Municipal School District No. 3'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 Cimarron Municipal School District No. 3's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Accounting & Financial Solutions, LLC
Farmington, New Mexico
November 2, 2016

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2016

I. SUMMARY OF AUDIT RESULTS

	<u>Yes</u>	<u>No</u>	<u>Occurrences</u>
FINANCIAL STATEMENTS:			
Type of auditor's report issued: <u>Unmodified</u>			
Internal control over financial reporting:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
Noncompliance material to financial statements noted?	—	✓	—

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2016

II. FINDINGS RELATED TO FINANCIAL STATEMENTS

CIMARRON MUNICIPAL SCHOOL DISTRICT

2016-001 – IMPROPERLY COMPLETED FORM I-9

Other Non-Compliance

Condition: Four out of thirty employee files selected for testing had missing or incomplete I-9 forms.

Criteria: In accordance with the federal Immigration and Nationality Act Section 274A, employees are required to prove their citizenship or legal immigrant status prior to employment.

Cause: The District did not complete the I-9's according to the instruction.

Effect of condition: The District is out of compliance with requirements for the Immigration and Nationality Act.

Recommendation: The District should not employ any individual without prior completion and verification of the Form I-9.

Management's response: The Cimarron District has issued each employee an I-9 to be resubmitted to the District Office. The Payroll Clerk is collecting data and making sure all items are correct.

Responsible party(ies) for corrective action(s): Business Manager and Payroll Specialist.

Corrective action(s) timeline: Implemented as of the date of this report.

SCHEDULE OF FINDINGS AND RESPONSES

YEAR ENDED JUNE 30, 2016

II. FINDINGS RELATED TO FINANCIAL STATEMENTS (cont'd)

MORENO VALLEY HIGH SCHOOL (Component Unit of Cimarron Municipal Schools)

2016-002 – IMPROPERLY COMPLETED FORM I-9

Other Non-Compliance

Condition: Of the sixteen employee files selected for testing three did not have an I-9 form and four had incomplete I-9 forms.

Criteria: In accordance with the federal Immigration and Nationality Act Section 274A, employees are required to prove their citizenship or legal immigrant status prior to employment.

Cause: The District did not complete the I-9's according to the instruction.

Effect of condition: The District is out of compliance with requirements for the Immigration and Nationality Act.

Recommendation: The District should not employ any individual without prior completion and verification of the Form I-9.

Management's response: MVHS has issued each employee an I-9 to be resubmitted to the Accounting Clerk at MVHS. She will collect each one and make sure all data is correct accordingly.

Responsible party(ies) for corrective action(s): Accounting Clerk

Corrective action(s) timeline: Implemented as of the date of this report.

MORENO VALLEY EDUCATION FOUNDATION (Component Unit of Moreno Valley High School)

No audit findings to report related to the financial statements.

III. AUDIT FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no findings required to be reported relating to federal awards.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2016

I. NOT RESOLVED

There were no findings to be reported from the prior year.

II. RESOLVED

CIMARRON MUNICIPAL SCHOOLS

There were no findings to be reported from the prior year.

MORENO VALLEY HIGH SCHOOL (Component Unit of Cimarron Municipal Schools)

2015 – 001 UNRECONCILED CASH

Current Status: Resolved. Not repeated in the current year.

2015 – 002 CASH REPORTING TO STATE

Current Status: Resolved. Not repeated in the current year.

MORENO VALLEY EDUCATION FOUNDATION (Component Unit of Moreno Valley High School)

There were no findings to be reported from the prior year.

REQUIRED DISCLOSURES

Year Ended June 30, 2016

The financial statements were prepared by the independent public accountants.

An exit conference was held November 2, 2016 during which the audit findings were discussed. The exit conference was attended by the following individuals:

CIMARRON MUNICIPAL SCHOOL DISTRICT NO. 3

Ronald Anderson	President, Board of Education / Audit Committee
Adan Estrada	Superintendent / Member, Audit Committee

MORENO VALLEY HIGH SCHOOL

Debbie Coscia	Vice-President, Governing Council
Greg Vincent	Director

MORENO VALLEY EDUCATION FOUNDATION

Carl Nelson	President, Board of Directors
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ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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