

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL  
DISTRICT NO. 62**

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FINANCIAL ANNUAL REPORT  
AND  
SUPPLEMENTAL INFORMATION  
YEAR ENDED JUNE 30, 2017  
WITH  
REPORT OF CERTIFIED PUBLIC ACCOUNTANTS



ACCOUNTING & FINANCIAL  
**SOLUTIONS**  
CERTIFIED PUBLIC ACCOUNTANTS

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# INTRODUCTORY SECTION

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# TABLE OF CONTENTS

Year Ended June 30, 2017

## INTRODUCTORY SECTION

	Title Page
iii	Table of Contents
1	Official Roster

## FINANCIAL SECTION

5	Independent Auditors' Report
---	------------------------------

### BASIC FINANCIAL STATEMENTS:

#### Government-Wide Financial Statements:

8	Statement of Net Position
9	Statement of Activities

#### Fund Financial Statements:

10	Balance Sheet – Governmental Funds
13	Reconciliation of the Balance Sheet – All Governmental Funds to the Statement of Net Position
14	Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds
17	Reconciliation of the Statement of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities

#### Major Funds:

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

18	General Fund
	Special Revenue Funds:
	<u>Fund #</u>
19	Title I 24101

20	Statement of Fiduciary Assets and Liabilities – Agency Funds
----	--

#### Notes to the Financial Statements

21	Contents
22	Note I Summary of Significant Accounting Policies
34	Note II Stewardship, Compliance, and Accountability
36	Note III Detailed Notes On All Funds
41	Note IV Other Information

### REQUIRED SUPPLEMENTARY INFORMATION:

49	Schedule of the District's Proportionate Share of Net Pension Liability
49	Schedule of District's Contributions
49	Notes to the Required Supplementary Information

### OTHER SUPPLEMENTAL INFORMATION:

#### Combining and Individual Fund Financial Statements and Schedules:

##### General Fund:

52	Combining Balance Sheet
53	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):
	<u>Fund #</u>
54	Operating Fund 11000
55	Teacherage Fund 12000
56	Transportation Fund 13000
57	Instructional Materials Fund 14000

# TABLE OF CONTENTS

Year Ended June 30, 2017

---

## **OTHER SUPPLEMENTAL INFORMATION (cont'd):**

### Major Capital Projects Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

		<u>Fund #</u>
60	Bond Building	31100

### Major Debt Service Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

		<u>Fund #</u>
61	Debt Service Funds	41000

### Nonmajor Governmental Funds:

68	Combining Balance Sheet	
78	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	

### Nonmajor Special Revenue Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

		<u>Fund #</u>
90	Food Service	21000
91	Athletics	22000
92	Migrant Children Education	24103
93	Entitlement IDEA-B	24106
94	Preschool IDEA-B	24109
95	Title III English Language	24153
96	Title II Teacher Quality	24154
97	Title I School Improvement	24162
98	Johnson O'Malley	25131
99	Impact Aid Special Education	25145
100	Impact Aid Indian Education	25147
101	Title XIX Medicaid	25153
102	Indian Ed Formula Grant	25184
103	Literacy through School Libraries	25235
104	CNM Foundation	26207
105	Dual Credit Instructional Materials	27103
106	Libraries GO Bond 2012	27107
107	Reads to Lead	27114
108	Truancy Initiative	27141
109	Pre-K Initiative	27149
110	Indian Education Act	27150
111	2013 Pre-K Classrooms	27177
112	Youth Conservation Corp	28133
113	DWI NM	28145
114	Gear Up	28178
115	Natural Helpers	28195
116	Life Link	29102
117	Substance Abuse Ed	29105
118	City/County Grants	29107
119	School Based Health Center	29130
120	Exemplary School Based Health Center	29131

### Nonmajor Capital Projects Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

		<u>Fund #</u>
121	Special Capital Outlay - Federal	31500
122	State SB-9 Match	31700
123	Capital Improvements SB-9	31701

# TABLE OF CONTENTS

Year Ended June 30, 2017

---

## OTHER SUPPLEMENTAL INFORMATION (cont'd):

### Nonmajor Debt Service Funds:

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis):

		<u>Fund #</u>
124	Debt Service Funds	41000

### **State Required Disclosures:**

#### Fiduciary Funds:

126	Schedule of Changes in Assets and Liabilities – All Agency Funds
127	Schedule of Pledged Collateral
128	Cash Reconciliation

## COMPLIANCE SECTION

131	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
133	Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance
136	Schedule of Expenditures of Federal Awards
137	Notes to the Schedule of Expenditures of Federal Awards
139	Schedule of Findings and Questioned Costs
141	Summary Schedule of Prior Year Audit Findings
142	Required Disclosure

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# OFFICIAL ROSTER

June 30, 2017

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## BOARD OF EDUCATION

Dianna Maestas	President
Taylor Pinto	Vice-President
Vivian Keetso	Secretary
Elizabeth Martin	Member
Dr. Carl Stern	Member

## SCHOOL OFFICIALS

Tony Archuleta	Superintendent
Rhiannon Chavez	Business Manager
Jaime Tamez	Federal Programs
Kay Brown	AP Specialist
Corrine Jake	Payroll Specialist

## AUDIT COMMITTEE

Dr. Carl Stern	Member
Dianna Maestas	Member
Christine Montoya	Member
Shirley Hurford	Member
Arsenio Jacquez	Member
Tony Archuleta	Superintendent
Rhiannon Chavez	Business Manager

## FINANCE COMMITTEE

Dr. Carl Stern	Member
Dianna Maestas	Member
Christine Montoya	Member
Shirley Hurford	Member
Arsenio Jacquez	Member
Tony Archuleta	Superintendent
Rhiannon Chavez	Business Manager

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FINANCIAL SECTION

FISCAL YEAR 2017

JULY 1, 2016 THROUGH JUNE 30, 2017

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## INDEPENDENT AUDITORS' REPORT

Tim Keller, State Auditor,  
The Board of Education and Audit Committee of  
Cuba Independent School District No. 62

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Cuba Independent School District No. 62, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Cuba Independent School District No. 62 basic financial statements 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 Cuba Independent School District No. 62'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, each major fund, and the aggregate remaining fund information of Cuba Independent School District No. 62, as of June 30, 2017, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Tim Keller, State Auditor,  
The Board of Education and Audit Committee of  
Cuba Independent School District No. 62

### **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 49 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 the financial statements that collectively comprise the Cuba Independent School District No. 62' basic financial statements. The other supplemental information such as the combining and individual general fund financial statements, budgetary comparisons for the major capital project fund, major debt service fund, the combining and individual nonmajor fund financial statements, and the other information, such as the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and 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 Schedule of Expenditures of Federal Awards and other supplemental information 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 Schedule of Expenditures and other supplemental information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 6, 2017 on our consideration of the Cuba Independent School District No. 62' 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 Cuba Independent School District No. 62' internal control over financial reporting and compliance.

*Accounting & Financial Solutions, LLC*  
Farmington, New Mexico

October 6, 2017

## BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

STATEMENT OF NET POSITION  
 June 30, 2017

	Governmental <u>Activities</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 4,167,134
Receivables:	
Delinquent property taxes receivable	168,608
Grant	323,717
Due from other governments	37,759
Food inventory	12,921
Non-current:	
Non-depreciable assets	63,000
Depreciable capital assets, net	<u>23,169,498</u>
<b>Total Assets</b>	<u>27,942,637</u>
<b>Deferred Outflows of Resources:</b>	
Contributions to pension subsequent to the measurement date	655,640
Difference between expected and actual experience	50,184
Net difference between projected and actual investment earnings on plan investments	690,486
Net change in pension assumptions	235,469
Net change in proportionate share of pension liability	<u>442,752</u>
<b>Total Deferred Outflows of Resources</b>	<u>2,074,531</u>
<b>Liabilities</b>	
Accounts payable	422,904
Accrued interest	28,031
Compensated absences	50,061
Rental deposits	3,150
Long-term liabilities other than pensions:	
Due within one year	1,603,720
Due in more than one year	3,102,938
Aggregate net pension liability	<u>11,567,547</u>
<b>Total Liabilities</b>	<u>16,778,351</u>
<b>Deferred Inflows of Resources</b>	
Advances of federal, state, and local grants	22,421
Gain on advanced bond refunding	64,492
Difference between expected and actual experience	110,022
Net change in proportionate share of pension liability	<u>244,841</u>
<b>Total Deferred Inflows of Resources</b>	<u>441,776</u>
<b>Net Position</b>	
Net investment in capital assets	18,570,220
Restricted for:	
Inventories	12,921
Special revenue funds	337,593
Capital projects	751,352
Debt service	2,240,126
Unrestricted	<u>(9,115,171)</u>
<b>Total Net Position</b>	<u>\$ 12,797,041</u>

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



STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

STATEMENT OF ACTIVITIES  
 Year Ended June 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Government Governmental Activities</u>	
<b>Primary government:</b>						
<b>Governmental activities:</b>						
Instruction	\$ 5,186,582	\$ 60,570	\$ 1,559,538	\$ 11,839	\$ (3,554,635)	
Support Services - Students	1,277,484	54,777	384,123	-	(838,584)	
Support Services - Instruction	175,280	-	52,704	-	(122,576)	
Support Services - General Administration	339,561	-	102,102	21	(237,438)	
Support Services - School Administration	577,041	-	173,509	-	(403,532)	
Central Services	647,465	-	194,684	-	(452,781)	
Operations & Maintenance of Plant	2,005,268	-	602,958	10,629	(1,391,681)	
Student Transportation	741,010	-	510,270	-	(230,740)	
Other Support Services	1,931	-	581	-	(1,350)	
Food Services	427,075	7,764	387,023	-	(32,288)	
Community Services	67,283	-	20,231	-	(47,052)	
Bond interest paid	59,653	-	-	-	(59,653)	
Refunds of grants	12,925	-	-	-	(12,925)	
<b>Total governmental activities</b>	<b><u>\$ 11,518,558</u></b>	<b><u>\$ 123,111</u></b>	<b><u>\$ 3,987,723</u></b>	<b><u>\$ 22,489</u></b>	<b><u>(7,385,235)</u></b>	
General revenues:						
Taxes:						
Property Taxes:						
General purposes						32,030
Capital projects						231,125
Debt service						562,270
Oil and gas						428,665
State equalization						4,821,788
Grants and contributions not restricted						29,016
Miscellaneous income						<u>82,101</u>
Total general revenues						<u>6,186,995</u>
<i>Change in net position</i>						(1,198,240)
<b>Net position - beginning</b>						<u>13,995,281</u>
<b>Net position - ending</b>						<b><u>\$ 12,797,041</u></b>

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

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

GOVERNMENTAL FUNDS

**Balance Sheet**

**June 30, 2017**

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Bond Building <u>Fund #31100</u>	Debt Service <u>Fund #41000</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 585,419	\$ -	\$ 769,180	\$ 2,131,401
Receivables:				
Property taxes	5,934	-	-	135,014
Grant	-	122,141	-	-
Due from other governments	1,481	-	-	29,791
Due from other funds	271,341	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 864,175</u></b>	<b><u>\$ 122,141</u></b>	<b><u>\$ 769,180</u></b>	<b><u>\$ 2,296,206</u></b>
 <b>Liabilities, deferred inflows, and fund balance</b>				
Liabilities:				
Accounts payable	\$ 73,613	\$ 3,196	\$ 312,838	\$ -
Due to other funds	-	118,945	-	-
Rental deposits	<u>3,150</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>76,763</u>	<u>122,141</u>	<u>312,838</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>4,643</u>	<u>-</u>	<u>-</u>	<u>110,051</u>
Total deferred inflows of resources	<u>4,643</u>	<u>-</u>	<u>-</u>	<u>110,051</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	456,342	-
Debt service	-	-	-	2,186,155
Unassigned	<u>782,769</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>782,769</u>	<u>-</u>	<u>456,342</u>	<u>2,186,155</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 864,175</u></b>	<b><u>\$ 122,141</u></b>	<b><u>\$ 769,180</u></b>	<b><u>\$ 2,296,206</u></b>

( cont'd; 1 of 2 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

GOVERNMENTAL FUNDS

**Balance Sheet**

**June 30, 2017**

	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 681,134	\$ 4,167,134
Receivables:		
Property taxes	27,660	168,608
Grant	201,576	323,717
Due from other governments	6,487	37,759
Due from other funds	-	271,341
Food inventory	<u>12,921</u>	<u>12,921</u>
<b>Total assets</b>	<b><u>\$ 929,778</u></b>	<b><u>\$ 4,981,480</u></b>
 <b>Liabilities, deferred inflows, and fund balance</b>		
Liabilities:		
Accounts payable	\$ 33,257	\$ 422,904
Due to other funds	152,396	271,341
Rental deposits	<u>-</u>	<u>3,150</u>
Total liabilities	<u>185,653</u>	<u>697,395</u>
Deferred inflows of resources:		
Advances of federal, state, and local grants	22,421	22,421
Delinquent property taxes	<u>22,209</u>	<u>136,903</u>
Total deferred inflows of resources	<u>44,630</u>	<u>159,324</u>
Fund balance:		
Non-spendable:		
Inventories	12,921	12,921
Restricted for:		
Special revenue funds	337,593	337,593
Capital projects funds	295,010	751,352
Debt service	53,971	2,240,126
Unassigned	<u>-</u>	<u>782,769</u>
Total fund balance	<u>699,495</u>	<u>4,124,761</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 929,778</u></b>	<b><u>\$ 4,981,480</u></b>

( 2 of 2 )

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STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

RECONCILIATION OF THE BALANCE SHEET - ALL GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION  
**June 30, 2017**

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

Fund balances - total governmental funds	\$	4,124,761
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital assets		39,014,930
Accumulated depreciation		(15,782,432)
Other assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		
Property taxes receivable		136,903
Deferred outflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Contributions to pension subsequent to the measurement date		655,640
Difference between expected and actual experience		50,184
Net difference between projected and actual investment earnings on plan investments		690,486
Net change in pension assumptions		235,469
Net change in proportionate share of pension liability		442,752
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		(4,706,658)
Accrued interest payable		(28,031)
Accrued vacation payable		(50,061)
Net pension liability		(11,567,547)
Deferred inflow of resources are not financial resources, and therefore are not reported in the funds and include:		
Gain on advanced bond refunding		(64,492)
Difference between expected and actual experience		(110,022)
Net change in proportionate share of pension liability		(244,841)
Net change in proportionate share of pension liability		<u>(244,841)</u>
Net position of governmental activities	\$	<u><u>12,797,041</u></u>

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

GOVERNMENTAL FUNDS

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2017**

	General <u>Fund</u>	Title I <u>Fund #24101</u>	Bond Building <u>Fund #31100</u>	Debt Service <u>Fund #41000</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ 31,206	\$ -	\$ -	\$ 637,288
Oil and gas	18,414	-	-	336,596
Intergovernmental - federal grants	1,048,420	630,507	-	-
Intergovernmental - state grants	5,369,322	-	-	-
Contributions - private grants	12	-	-	-
Charges for services	60,570	-	-	-
Investment and interest income	-	-	4,389	-
Miscellaneous	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total revenues</b>	<u>6,527,957</u>	<u>630,507</u>	<u>4,389</u>	<u>973,884</u>
<b>Expenditures:</b>				
Current:				
Instruction	3,011,428	400,841	-	-
Support services:				
Students	688,395	212,814	-	-
Instruction	163,782	-	-	-
General Administration	279,432	-	-	6,350
School Administration	437,409	16,852	-	-
Central Services	582,478	-	-	-
Operation & Maintenance of Plant	1,058,232	-	445,610	-
Student transportation	596,814	-	-	-
Other Support services	1,737	-	-	-
Food services operations	-	-	-	-
Community services	52,311	-	-	-
Capital outlay	-	-	709,662	-
Debt service:				
Principal retirement	-	-	-	780,000
Bond interest paid	-	-	-	74,600
Bond issuance costs	<u>-</u>	<u>-</u>	<u>36,512</u>	<u>-</u>
<b>Total expenditures</b>	<u>6,872,018</u>	<u>630,507</u>	<u>1,191,784</u>	<u>860,950</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(344,061)</u>	<u>-</u>	<u>(1,187,395)</u>	<u>112,934</u>
<b>Other financing sources and financing uses:</b>				
Sale of bonds	-	-	1,000,000	-
Sale of refunding bonds	-	-	601,658	-
Payment to refunding agent	-	-	(591,480)	-
Refunds of grants	-	-	-	-
Transfers In	2,697	-	-	77,261
Transfers out	<u>(77,261)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources and financing</b>	<u>(74,564)</u>	<u>-</u>	<u>1,010,178</u>	<u>77,261</u>
<i>Net change in fund balance</i>	(418,625)	-	(177,217)	190,195
<b>Fund balance at beginning of the year</b>	<u>1,201,394</u>	<u>-</u>	<u>633,559</u>	<u>1,995,960</u>
<b>Fund balance at end of the year</b>	<u>\$ 782,769</u>	<u>\$ -</u>	<u>\$ 456,342</u>	<u>\$ 2,186,155</u>

(cont'd; 1 of 2)

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

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

GOVERNMENTAL FUNDS

**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Year Ended June 30, 2017**

	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<b>Revenues:</b>		
Taxes:		
Property	\$ 140,057	\$ 808,551
Oil and gas	73,655	428,665
Intergovernmental - federal grants	1,238,275	2,917,202
Intergovernmental - state grants	541,087	5,910,409
Contributions - private grants	29,004	29,016
Charges for services	62,541	123,111
Investment and interest income	-	4,389
Miscellaneous	<u>82,088</u>	<u>82,101</u>
<b>Total revenues</b>	<u>2,166,707</u>	<u>10,303,444</u>
<b>Expenditures:</b>		
Current:		
Instruction	817,783	4,230,052
Support services:		
Students	248,052	1,149,261
Instruction	-	163,782
General Administration	19,697	305,479
School Administration	64,862	519,123
Central Services	-	582,478
Operation & Maintenance of Plant	263,643	1,767,485
Student transportation	69,820	666,634
Other Support services	-	1,737
Food services operations	384,209	384,209
Community services	8,219	60,530
Capital outlay	333,617	1,043,279
Debt service:		
Principal retirement	-	780,000
Bond interest paid	-	74,600
Bond issuance costs	<u>-</u>	<u>36,512</u>
<b>Total expenditures</b>	<u>2,209,902</u>	<u>11,765,161</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(43,195)</u>	<u>(1,461,717)</u>
<b>Other financing sources and financing uses:</b>		
Sale of bonds	-	1,000,000
Sale of refunding bonds	-	601,658
Payment to refunding agent	-	(591,480)
Refunds of grants	(12,925)	(12,925)
Transfers In	18,100	98,058
Transfers out	<u>(20,797)</u>	<u>(98,058)</u>
<b>Total other financing sources and financing</b>	<u>(15,622)</u>	<u>997,253</u>
<i>Net change in fund balance</i>	(58,817)	(464,464)
<b>Fund balance at beginning of the year</b>	<u>758,312</u>	<u>4,589,225</u>
<b>Fund balance at end of the year</b>	<u>\$ 699,495</u>	<u>\$ 4,124,761</u>

( 2 of 2 )

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STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
**Year Ended June 30, 2017**

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

Net change in fund balance - total governmental funds	\$	(464,464)
<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		1,043,279
Depreciation		(1,148,847)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Deferred property taxes at:		
June 30, 2016		(120,029)
June 30, 2017		136,903
<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		780,000
Bonds sold		(1,601,658)
Bonds refunded		590,000
Deferred gain on bond refunding		(72,553)
Amortization of deferred gain on bond refunding		8,061
<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>		
Compensated absences at:		
June 30, 2016		56,156
June 30, 2017		(50,061)
Accrued interest at:		
June 30, 2016		36,397
June 30, 2017		(28,031)
Deferred contributions to pension plan		655,640
Pension expense		<u>(1,019,033)</u>
Change in net position of governmental activities	\$	<u>(1,198,240)</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GENERAL FUND

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 29,174	\$ 29,174	\$ 31,102	\$ 1,928
Oil and gas	41,574	41,574	18,440	(23,134)
Intergovernmental - federal grants	716,994	716,994	1,048,420	331,426
Intergovernmental - state grants	5,710,851	5,435,102	5,369,322	(65,780)
Contributions - private grants	5,000	5,000	12	(4,988)
Charges for services	43,500	43,500	60,570	17,070
Miscellaneous	-	-	15	15
<b>Total revenues</b>	6,547,093	6,271,344	6,527,881	256,537
<b>Expenditures:</b>				
Current:				
Instruction	2,870,809	3,008,351	3,001,509	6,842
Support services:				
Students	824,523	695,884	688,395	7,489
Instruction	109,315	166,859	163,126	3,733
General Administration	298,259	285,159	277,658	7,501
School Administration	543,440	444,840	437,409	7,431
Central Services	573,405	562,305	557,414	4,891
Operation & Maintenance of Plant	1,289,365	1,154,744	1,037,518	117,226
Student transportation	594,767	609,187	595,077	14,110
Other Support services	33,176	8,276	1,656	6,620
Food services operations	78,753	1,200	-	1,200
Community services	33,200	52,000	50,650	1,350
Capital outlay	20,000	15,000	-	15,000
<b>Total expenditures</b>	7,269,012	7,003,805	6,810,412	193,393
<i>Excess (deficiency) of revenues over expenditures</i>	(721,919)	(732,461)	(282,531)	449,930
<b>Other financing uses:</b>				
Transfers In	-	-	2,698	2,698
Transfers out	-	-	(77,261)	(77,261)
<b>Total other financing uses</b>	-	-	(74,563)	(74,563)
<i>Net change in fund balance</i>	(721,919)	(732,461)	(357,094)	375,367
<i>Beginning cash balance budgeted</i>	721,919	732,461	-	(732,461)
<b>Fund balance at beginning of the year</b>	-	-	1,201,394	1,201,394
<b>Fund balance at end of the year</b>	\$ -	\$ -	844,300	\$ 844,300
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(1,595)	
Change in property tax receivable			616	
Change in due from other governments			283	
Change in payables			(60,011)	
Change in deferred property taxes			(824)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 782,769	

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

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 621,292	\$ 628,971	\$ 694,072	\$ 65,101
<b>Expenditures:</b>				
Current:				
Instruction	333,065	398,211	397,645	566
Support services:				
Students	229,995	213,485	212,814	671
General Administration	43,507	-	-	-
School Administration	14,725	17,275	16,852	423
<b>Total expenditures</b>	621,292	628,971	627,311	1,660
<i>Excess of revenues over expenditures</i>	-	-	66,761	66,761
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	66,761	\$ 66,761
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(63,565)	
Change in payables			(3,196)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

AGENCY FUNDS  
Statement of Fiduciary Assets and Liabilities  
June 30, 2017

ASSETS

Pooled cash and investments	\$	<u>70,080</u>
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LIABILITIES

Deposits held for others	\$	<u>70,080</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, 2017

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NOTE	PAGE
I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES	
A. Reporting Entity	22
1. Blended Component Units	
2. Discretely Presented Component Units	
B. Implementation of New Accounting Principles	22
C. Government-Wide and Fund Financial Statements	28
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	28
1. Major Funds	28
E. Assets, Liabilities, and Net Position or Equity	29
II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	
A. Budgetary Information	34
B. Budgetary Violations	35
C. Deficit Fund Equity	35
III. DETAILED NOTES ON ALL FUNDS	
A. Cash and Temporary Investments	36
B. Receivables	37
C. Inter-Fund Receivables and Payables	37
D. Inter-Fund Transfers	38
E. Capital Assets	38
F. Long-Term Debt	39
IV. OTHER INFORMATION	41

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## I. SUMMARY OF ALL SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

Cuba Independent 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 Village of Cuba, 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. Based upon the application of these criteria, no component units or fiduciary units were included in the financial statements.

Generally Accepted Accounting Principles (GAAP) requires that financial statements present the District (primary government) and its component units. The District has no component units that are required to be presented 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*.

1. Blended Component Units

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

2. Discretely Presented Component Units

The District does not have any component units reported as discretely presented component units.

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 Cuba Independent School District No. 62' 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. Implementation of New Accounting Principles

During fiscal year 2017, the District adopted the following Governmental Accounting Standards Board (GASB) Statements:

- **GASB Statement No. 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.
- **GASB Statement No. 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### B. Implementation of New Accounting Principles (cont'd)

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.

- **GASB Statement No. 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.

- **GASB Statement No. 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### B. Implementation of New Accounting Principles (cont'd)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- **GASB Statement No. 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 Statement No. 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.

- **GASB Statement No. 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.



# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 83, *Certain Asset Retirement Obligations*** - This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

This Statement requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred. The best estimate should include probability weighting of all potential outcomes, when such information is available or can be obtained at reasonable cost. If probability weighting is not feasible at reasonable cost, the most likely amount should be used. This Statement requires that a deferred outflow of resources associated with an ARO be measured at the amount of the corresponding liability upon initial measurement.

This Statement requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. In addition, it requires a government to evaluate all relevant factors at least annually to determine whether the effects of one or more of the factors are expected to significantly change the estimated asset retirement outlays. A government should remeasure an ARO only when the result of the evaluation indicates there is a significant change in the estimated outlays. The deferred outflows of resources should be reduced and recognized as outflows of resources (for example, as an expense) in a systematic and rational manner over the estimated useful life of the tangible capital asset.

A government may have a minority share (less than 50 percent) of ownership interest in a jointly owned tangible capital asset in which a nongovernmental entity is the majority owner and reports its ARO in accordance with the guidance of another recognized accounting standards setter. Additionally, a government may have a minority share of ownership interest in a jointly owned tangible capital asset in which no joint owner has a majority ownership, and a nongovernmental joint owner that has operational responsibility for the jointly owned tangible capital asset reports the associated ARO in accordance with the guidance of another recognized accounting standards setter. In both situations, the government's minority share of an ARO should be reported using the measurement produced by the nongovernmental majority owner or the nongovernmental minority owner that has operational responsibility, without adjustment to conform to the liability measurement and recognition requirements of this Statement.

In some cases, governments are legally required to provide funding or other financial assurance for their performance of asset retirement activities. This Statement requires disclosure of how those funding and assurance requirements are being met by a government, as well as the amount of any assets restricted for payment of the government's AROs, if not separately displayed in the financial statements. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018 (FYE June 30, 2019). Earlier application is encouraged.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 84, *Fiduciary Activities*** – This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018 (FYE June 30, 2020). Earlier application is encouraged. Changes adopted to conform to the provisions of this Statement should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. If restatement for prior periods is not practicable, the cumulative effect, if any, of applying this Statement should be reported as a restatement of beginning net position (or fund balance or fund net position, as applicable) for the earliest period restated. In the first period that this Statement is applied, the notes to the financial statements should disclose the nature of the restatement and its effect. Also, the reason for not restating prior periods presented should be disclosed.

- **GASB Statement No. 85, Omnibus 2017** – The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]).

Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill • Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017 (FYE June 30, 2018). Earlier application is encouraged.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### B. Implementation of New Accounting Principles (cont'd)

- **GASB Statement No. 86, Certain Debt Extinguishment Issues** – The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

In-Substance Defeasance of Debt Using Only Existing Resources Statement No. 7, Advance Refundings Resulting in Defeasance of Debt, requires that debt be considered defeased in substance when the debtor irrevocably places cash or other monetary assets acquired with refunding debt proceeds in a trust to be used solely for satisfying scheduled payments of both principal and interest of the defeased debt. The trust also is required to meet certain conditions for the transaction to qualify as an in-substance defeasance. This Statement establishes essentially the same requirements for when a government places cash and other monetary assets acquired with only existing resources in an irrevocable trust to extinguish the debt. However, in financial statements using the economic resources measurement focus, governments should recognize any difference between the reacquisition price (the amount required to be placed in the trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance. Governments that defease debt using only existing resources should provide a general description of the transaction in the notes to financial statements in the period of the defeasance. In all periods following an in-substance defeasance of debt using only existing resources, the amount of that debt that remains outstanding at period-end should be disclosed.

Prepaid Insurance Related to Extinguished Debt – For governments that extinguish debt, whether through a legal extinguishment or through an in-substance defeasance, this Statement requires that any remaining prepaid insurance related to the extinguished debt be included in the net carrying amount of that debt for the purpose of calculating the difference between the reacquisition price and the net carrying amount of the debt.

Additional Disclosure for All In-Substance Defeasance Transactions – One of the criteria for determining an in-substance defeasance is that the trust hold only monetary assets that are essentially risk-free. If the substitution of essentially risk-free monetary assets with monetary assets that are not essentially risk-free is not prohibited, governments should disclose that fact in the period in which the debt is defeased in substance. In subsequent periods, governments should disclose the amount of debt defeased in substance that remains outstanding for which that risk of substitution exists.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2017 (FYE June 30, 2018). Earlier application is encouraged.

- **GASB Statement No. 87, Leases** - The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Definition of a Lease - A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

The provisions of this Statement are effective for reporting periods beginning after December 15, 2019 (FYE June 30, 2021).

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### C. 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.

### D. 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.

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

#### ➤ SPECIAL REVENUE FUNDS

##### **Title I** (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.

#### ➤ CAPITAL PROJECTS FUNDS

##### **Bond Building** (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.

#### ➤ DEBT SERVICE FUNDS

##### **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.

Additionally, the government reports the following fund types:

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

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

Debt Service Funds – used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

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

### E. 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

#### 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, Capital Improvements SB – 9 Fund, Debt Service Fund, and Ed Tech 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.

#### 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:

ASSETS	YEARS
Buildings	40-50
Building improvements	20
Land Improvements	10-20
Vehides	5-7
Office equipment	5
Computer equipment	3-5

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

#### 5. *Compensated absences*

It is the District's policy to permit employees to accumulate 120 days of earned but unused vacation, which will be paid to employees upon retirement from the District's service. The amount for liability has been reported in the government-wide financial statements.

Accumulated sick leave is 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.

#### 8. *Deferred Outflows/Inflows of Resources*

Both deferred inflows and outflows are reported in the Statement of Net Position, but are not recognized in the financial statements as revenues, expenses, and reduction of liabilities or increase in assets until the period(s) to which they relate.

In addition to assets, the District reports a separate section for deferred outflows of resources. This separate financial statement element represents a use of net position/fund balance that applies to future periods and will not be recognized as an expenditure until that time.

The District also reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position/fund balance that applies to future periods and so will not be recognized as a revenue until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

The District reports deferred outflows of resources for pension-related amounts for the District's share of the difference between projected and actual earnings, for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions, and for changes of assumptions or other inputs.

The District reports deferred inflows of resources for pension-related amounts in the government wide financial statements or the District's share of the difference between expected and actual experience and for the District's share of the difference between contributions to the individual plans and the proportionate share of the contributions.

Under the modified accrual basis of accounting, revenue and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources. Deferred inflows of resources are also comprised of property tax and long-term receivables that are unavailable in the fund statements.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

#### 9. *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, 2017.

##### 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, 2017.

##### 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.



# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

#### 10. *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.

##### 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.

#### 11. *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.

#### 12. *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.

#### 13. *Inter-fund Transactions*

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

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

#### 14. 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 \$4,821,788 in state equalization guarantee distributions during the year ended June 30, 2017.

**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 \$510,270 in transportation distributions during the year ended June 30, 2017.

**Instructional Materials:** The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the purchase of material listed on the PED 'Multiple List', while fifty percent of each allocation is available for purchases directly from vendors or transfer to the fifty percent account for purchase of material from the "Multiple List". Districts are allowed to carry forward unused textbook funds from year to year. The District received \$37,264 in instructional materials distributions during the year ended June 30, 2017.

#### 15. Tax Abatements

Governmental Accounting Standards Board Statement No. 77 requires the District to disclose information on certain tax abatement agreements effecting the District. Accordingly, the District did not have any tax abatements effecting the District during the year ended June 30, 2017.

## 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 at the function level, 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont'd)

### A. Budgetary Information (cont'd)

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, 2017 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:

	ORIGINAL	FINAL
<b>Major Funds:</b>		
General Funds	\$ 7,269,012	\$ 7,003,805
<i>Special Revenue Funds:</i>		
Title I	621,292	628,971
<i>Capital Projects Funds:</i>		
Bond Building	1,422,689	1,422,689
<i>Debt Service Funds:</i>		
Debt Service	2,773,095	2,773,095
<b>Nonmajor Funds:</b>		
Special Revenue Funds	1,856,088	2,196,763
Capital Projects Funds	501,643	520,565
Debt Service Fund	53,971	53,971
<b>Total Budget</b>	<u>\$ 14,497,790</u>	<u>\$ 14,599,859</u>

### B. Budgetary Violations

The District did not have any budgetary violations during the year ended June 30, 2017.

### C. Deficit Fund Equity

The District had one deficit fund balance of \$1,853 in the Transportation Fund as of June 30, 2017. These deficits will be funded by future grants or by the Operational Fund.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

### III. DETAILED NOTES ON ALL FUNDS

#### A. Cash and Temporary Investments

At June 30, 2017, the carrying amount of the District's deposits was \$4,237,214 and the bank balance was \$4,632,469 with the difference consisting of outstanding checks.

	BALANCE
Financial institution:	
Wells Fargo Bank	\$ 3,686,930
State agencies:	
New Mexico Finance Authority	945,539
Less net reconciling items	(395,255)
Total cash and equivalents	\$ 4,237,214
Less agency cash	(70,080)
	\$ 4,167,134

Of the total cash and cash equivalents balance, \$250,000 was covered by federal depository insurance and \$2,837,049 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 District does not have a deposit policy for custodial credit risk, other than the following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978). 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, 2017, \$1,545,420 of the District's bank deposits was exposed to custodial risk as follows:

	INSURED	UNDER INSURED	TOTAL
<b>Bank deposits:</b>			
Uninsured and uncollateralized	\$ 1,545,420	\$ -	\$ 1,545,420
Uninsured and collateral held by pledging bank's trust dept not in the District's name	2,837,049	-	2,837,049
Total uninsured	4,382,469	-	4,382,469
Insured (FDIC)	250,000	-	250,000
Total deposits	\$ 4,632,469	\$ -	\$ 4,632,469
 <b>State of New Mexico collateral requirement:</b>			
50% of uninsured public fund bank deposits	\$ 2,191,235	\$ -	\$ 2,191,235
Pledged security	2,837,049	-	2,837,049
Over collateralization	\$ 645,814	\$ -	\$ 645,814

The collateral pledged is listed on Page 127 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, 2017

### 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	
	Property Taxes	Grants	Governments	Funds
Major Funds:				
General Funds	\$ 5,934	\$ -	\$ 1,481	\$ 271,341
Title I	-	122,141	-	-
Entitlement IDEA-B	-	-	-	-
Rural Education Achievement	-	-	-	-
Bond Building	-	-	-	-
Debt Service	135,014	-	29,791	-
Other Governmental Funds	27,660	201,576	6,487	-
Total	<u>\$ 168,608</u>	<u>\$ 323,717</u>	<u>\$ 37,759</u>	<u>\$ 271,341</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:

	UNAVAILABLE	UNEARNED
Grant drawdowns prior to meeting all eligibility requirements		
Other Governmental Funds	\$ -	\$ 22,421
Delinquent property taxes		
General Fund	4,643	-
Debt Service	110,051	-
Other Governmental Funds	22,209	-
Total deferred/unearned revenue for governmental funds	<u>\$ 136,903</u>	<u>\$ 22,421</u>

#### C. Inter-Fund Receivables and Payables

The inter-fund receivables and payables at June 30, 2017 were:

	RECEIVABLES	PAYABLES
Major Funds:		
General Funds	\$ 271,341	\$ -
Title I	-	118,945
Other Governmental Funds	-	152,396
Total	<u>\$ 271,341</u>	<u>\$ 271,341</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.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

#### D. Inter-Fund Transfers

The inter-fund transfers during the year ended June 30, 2017 were:

	TRANSFER IN	TRANSFER OUT
Major Funds:		
General Funds	\$ 2,697	\$ 77,261
Debt Service	77,261	-
Other Governmental Funds	18,100	20,797
<b>Total</b>	<b>\$ 98,058</b>	<b>\$ 98,058</b>

The transfers were to clear funds that are no longer being used and were approved by the New Mexico Department of Education.

#### E. Capital Assets

Capital asset activity for the year ended June 30, 2017 was as follows:

	BEGINNING	INCREASES	DECREASES	ENDING
<b>Governmental activities:</b>				
<u>Capital assets not being depreciated:</u>				
Land	\$ 63,000	\$ -	\$ -	\$ 63,000
<u>Capital assets being depreciated:</u>				
Land improvements	1,312,820	24,558	-	1,337,378
Buildings and improvements	31,254,128	954,405	-	32,208,533
Furniture, fixtures, and equipment	5,341,703	64,316	-	5,406,019
<i>Total capital assets being depreciated</i>	<u>37,908,651</u>	<u>1,043,279</u>	<u>-</u>	<u>38,951,930</u>
Less accumulated depreciation for:				
Land improvements	(314,723)	(61,147)	-	(375,870)
Buildings and improvements	(9,822,307)	(892,751)	-	(10,715,058)
Furniture, fixtures, and equipment	(4,496,555)	(194,949)	-	(4,691,504)
<i>Total accumulated depreciation</i>	<u>(14,633,585)</u>	<u>(1,148,847)</u>	<u>-</u>	<u>(15,782,432)</u>
Total capital assets being depreciated, net	<u>23,275,066</u>	<u>(105,568)</u>	<u>-</u>	<u>23,169,498</u>
<b>Total capital assets, net</b>	<b>\$ 23,338,066</b>	<b>\$ (105,568)</b>	<b>\$ -</b>	<b>\$ 23,232,498</b>

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### E. Capital Assets (cont'd)

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

DEPRECIATION ALLOCATION TO FUNCTIONS	
Instruction	\$ 520,584
Support Services - Students	128,223
Support Services - Instruction	17,593
Support Services - General Administration	34,082
Support Services - School Administration	57,918
Central Services	64,987
Operations & Maintenance of Plant	201,271
Student Transportation	74,376
Other Support Services	194
Food Services	42,866
Total Depreciation Expense	\$ 1,148,847

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.

### 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, 2017 are as follows:

BOND ISSUES	ORIGINAL AMOUNT	INTEREST RATES	BALANCE	CURRENT PORTION
Series 05/09/03	\$ 1,030,000	1.00% to 3.28%	\$ -	\$ -
Series 06/01/06	1,125,000	2.54% to 3.75%	-	-
Series 12/01/06	725,000	2.63% to 2.99%	150,000	50,000
Series 10/26/07	580,000	2.51% to 2.82%	180,000	60,000
Series 10/24/08	900,000	1.31% to 3.38%	275,000	50,000
Series 10/23/09	475,000	0.65% to 3.89%	125,000	25,000
Series 10/29/10	380,000	0.07% to 1.84%	220,000	30,000
Series 12/21/11	540,000	0.00% to 2.65%	320,000	25,000
Series 10/26/12	600,000	0.02% to 2.54%	470,000	20,000
Series 09/27/13	605,000	0.10% to 3.19%	325,000	15,000
Series 10/24/14	1,000,000	0.56% to 1.16%	295,000	95,000
Series 05/22/15	1,000,000	0.63% to 2.38%	745,000	220,000
Series 08/26/16	1,000,000	0.75% to 1.04%	1,000,000	950,000
Series 08/26/16	601,658	0.01% to 1.31%	601,658	63,720
Total	\$ 10,561,658		\$ 4,706,658	\$ 1,603,720

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

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

#### F. Long-Term Debt (cont'd)

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

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL REQUIREMENTS
2018	\$ 1,603,720	\$ 57,694	\$ 1,661,414
2019	616,291	42,936	659,227
2020	424,658	33,532	458,190
2021	383,040	24,820	407,860
2022	381,290	17,308	398,598
2023 - 2027	<u>1,297,659</u>	<u>20,838</u>	<u>1,318,497</u>
Total	<u>\$ 4,706,658</u>	<u>\$ 197,128</u>	<u>\$ 4,903,786</u>

Changes in long term debt – During the year ended June 30, 2017 the following changes occurred in liabilities reported in the general obligation bonds account group:

		BEGINNING BALANCE	ADDITIONS	RETIREMENTS	ENDING BALANCE	DUE WITHIN ONE YEAR
<b>Compensated absences:</b>						
Compensated vacation		\$ 57,765	\$ 84,993	\$ 92,697	\$ 50,061	\$ 50,061
<b>Bonds payable:</b>						
<u>Original Amount</u>	<u>Issue</u>					
\$1,030,000	05/09/03	120,000	-	120,000	-	-
1,125,000	06/01/06	645,000	-	645,000	-	-
725,000	12/01/06	200,000	-	50,000	150,000	50,000
580,000	10/26/07	240,000	-	60,000	180,000	60,000
900,000	10/24/08	325,000	-	50,000	275,000	50,000
475,000	10/23/09	150,000	-	25,000	125,000	25,000
380,000	10/29/10	250,000	-	30,000	220,000	30,000
540,000	12/21/11	345,000	-	25,000	320,000	25,000
600,000	10/26/12	490,000	-	20,000	470,000	20,000
605,000	09/27/13	340,000	-	15,000	325,000	15,000
1,000,000	10/24/14	370,000	-	75,000	295,000	95,000
1,000,000	05/22/15	1,000,000	-	255,000	745,000	220,000
1,000,000	08/26/16	-	1,000,000	-	1,000,000	950,000
601,658	08/26/16	-	601,658	-	601,658	63,720
<b>Total bonds payable</b>		<u>4,475,000</u>		<u>1,370,000</u>	<u>4,706,658</u>	<u>1,603,720</u>
		<u>\$ 4,532,765</u>	<u>\$ 1,686,651</u>	<u>\$ 1,462,697</u>	<u>\$ 4,756,719</u>	<u>\$ 1,653,781</u>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds.



# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

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

### F. Long-Term Debt (cont'd)

#### New Debt

The District issued Series 2016 General Obligation Bonds in the amount of \$1,000,000 on August 26, 2016. The District will make the first interest payment on February 1, 2017 and will make the first principal payment on August 1, 2017. The bond series will mature on August 1, 2026 with interest rate of 0.7476% to 1.04%. The District was at 46% bonding capacity after the issuance of GO Series 2016.

The District issued Series 2016 Teacherage Refunding Bonds in the amount of \$601,658 on August 26, 2016. The District will make the first interest payment on February 1, 2017 and will make the first principal payment on August 1, 2017. The bond series will mature on August 1, 2025 with interest rate of 0.66% to 1.31%. The proceeds of the issue were used to refund Series 2006 Teacherage Bonds in the amount of \$590,000 resulting in an economic gain of \$72,533.

#### Operating Leases

The District leases office equipment under eight 48-month non-cancellable operating lease. Seven of the leases were executed September 2, 2014 with monthly payments of \$1,594 and one lease executed October 2, 2014 with a monthly payment of \$173. At the end of the lease period the equipment will be traded in. Rental costs for the year ended June 30, 2017 were \$21,198 under the previous contract. The annual lease requirements are as follows:

JUNE 30,	AMOUNT
2018	\$ 21,198
2019	3,706
Total	<u>\$ 24,904</u>

## IV. 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 (NMPSIA) 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, 2017.

### 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](http://www.nmerb.org), [www.saonm.org](http://www.saonm.org), or by writing to:

ERB  
P.O. Box 26129  
Santa Fe, New Mexico 87502-6129  
[www.nmerb.org](http://www.nmerb.org)

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## IV. OTHER INFORMATION (cont'd)

### B. Employee Retirement Plan (cont'd)

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 150,082 active, retired, and inactive members in fiscal year 2016; there were 146,089 active, retired, and inactive members in fiscal year 2015.

*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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## IV. OTHER INFORMATION (cont'd)

### B. Employee Retirement Plan (cont'd)

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 2017.

Employer Contributions – In fiscal year 2017, 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, 2017 were \$655,640, 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 218 contributing employers in fiscal year 2016; there were 216 contributing employers in fiscal year 2015.

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

At June 30, 2017, the District reported a liability of \$11,567,547 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, 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, 2016, the District's proportion was 0.16074 percent, which was an increase of 0.00941 percent from its proportion measured as of June 30, 2015.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## IV. OTHER INFORMATION (cont'd)

### B. Employee Retirement Plan (cont'd)

For the year ended June 30, 2017, the District recognized pension expense of \$1,019,033.

PENSION EXPENSE CALCULATION	
Net pension liability - end of the year	\$ 11,567,547
Net pension liability - beginning of the year	(9,802,047)
Deferred outflows of resources during the year	(1,081,746)
Deferred inflows of resources during the year	(302,905)
Reductions to ending net pension liability due contributions paid	638,184
Total Pension Expense	\$ 1,019,033

At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	OUTFLOWS	INFLOWS
Difference between expected and actual experience	\$ 50,184	\$ 110,022
Change of assumptions	235,469	-
Net difference between projected and actual earnings on pension plan investments	690,486	-
Changes in proportion and differences between District contributions and proportionate share of contributions	442,752	244,841
District contributions subsequent to the measurement date	655,640	-
Total	\$ 2,074,531	\$ 354,863

Deferred outflows of resources related to pensions in the amount of \$655,640 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, 2018. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

JUNE 30,	AMORTIZATION
2018	\$ 156,599
2019	289,033
2020	450,014
2021	168,382
2022	-
Thereafter	-
Total	\$ 1,064,028

#### Actuarial Assumptions

A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2016. 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## IV. OTHER INFORMATION (cont'd)

### B. Employee Retirement Plan (cont'd)

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, 2015. The total pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2015. The total pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2016 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, 2016. Specifically, the liabilities measured as of June 30, 2016 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.

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 rates based on age and service. Adopted by NMERB on June 12, 2015 in conjunction with the six-year experience study for the period ending June 30, 2014
Mortality:	Healthy males: RP-2000 Combined Mortality Table with white collar adjustments, generational mortality improvements with scale BB. Healthy females: GRS Southwest Region Teacher Mortality Table, set back one year, generational mortality improvements in accordance with scale BB from the table's base year of 2012.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## IV. OTHER INFORMATION (cont'd)

### B. Employee Retirement Plan (cont'd)

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 2016 and 2015 for 30-year return assumptions are summarized in the following table:

<u>Asset Class</u>	2016	2015
	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	-0.25%	0.00%
U.S. Treasuries	0.00%	0.25%
IG Corp Credit	1.75%	1.50%
Mortgage Backed Securities	0.25%	0.50%
Core Bonds*	0.64%	0.73%
Treasury Inflation Protected Securities	0.75%	0.75%
High-Yield Bonds	2.50%	2.50%
Bank Loans	2.75%	2.75%
Global Bonds (Unhedged)	-0.50%	-1.00%
Global Bonds (Hedged)	-0.38%	-0.84%
Emerging Market Debt External	2.75%	2.75%
Emerging Market Debt Local Currency	3.25%	3.50%
Large Cap Equities	4.25%	4.25%
Small/ Mid Cap Equities	4.50%	4.50%
International Equities (Unhedged)	4.75%	4.75%
International Equities (Hedged)	5.14%	5.22%
Emerging International Equities	6.25%	6.00%
Private Equity	6.25%	6.25%
Private Debt	4.75%	4.75%
Private Real Assets	4.50%	4.50%
Real Estate	3.25%	3.25%
Commodities	2.25%	2.50%
Hedge Funds	3.25%	3.50%

#### 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.

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## IV. OTHER INFORMATION (cont'd)

### B. Employee Retirement Plan (cont'd)

*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 2016, 2015, and 2014. 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.

		CURRENT SINGLE RATE		
		1% Decrease	Assumption	1% Increase
		6.75%	7.75%	8.75%
<b>ERB (All Employers)</b>				
2016	\$	9,531,509,131	\$ 7,196,433,561	\$ 5,258,980,529
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
<b>Cuba Independent Schools</b>				
2016	\$	15,320,948	\$ 11,567,547	\$ 8,453,285
2015		13,189,309	9,802,047	6,956,394
2014		12,134,035	8,918,048	6,231,947

### C. Post-Retirement Health Care Benefits

*Plan Description*

Cuba Independent School District No. 62 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.

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

# NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

## IV. OTHER INFORMATION (cont'd)

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

#### *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](http://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, 2017 were \$94,310, which equal the required contributions for each year.

### D. 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.

### E. 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.

### F. Subsequent Events

Subsequent events were evaluated through October 6, 2017 which is the date the financial statements were available to be issued.



## REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

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

	2017	2016	2015
District's proportion of the net pension liability	0.160740%	0.151330%	0.156300%
District's proportionate share of the net pension liability	\$ 11,567,547	\$ 9,802,047	\$ 8,918,048
District's covered-employee payroll	\$ 4,589,503	\$ 4,301,893	\$ 4,308,279
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	252.04%	227.85%	207.00%
Plan fiduciary net position as a percentage of the total pension liability	61.58%	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 THE DISTRICT'S CONTRIBUTIONS Educational Retirement Board (ERB) Pension Plan Last 10 Fiscal Years\*

	2017	2016	2015
Contractually required contribution	\$ 655,640	\$ 637,940	\$ 597,963
Contributions in relation to the contractually required	<u>(655,640)</u>	<u>(638,184)</u>	<u>(597,963)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (244)</u>	<u>\$ -</u>
District's Covered-employee Payroll	\$ 4,716,835	\$ 4,589,503	\$ 4,301,893
Contribution as a percentage of covered-employee payroll	13.90%	13.91%	13.90%

\* 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.

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended June 30, 2017

*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 2016 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
  - e. Payroll growth remains at 3.50%

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

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**GENERAL FUNDS**  
YEAR ENDED JUNE 30, 2017

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OPERATING FUND (Fund No. 11000)

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.

TEACHERAGE FUND (Fund No. 12000)

Accounts for all financial resources used in the housing of teachers.

TRANSPORTATION FUND (Fund No. 13000)

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 (Fund No. 14000)

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  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GENERAL FUNDS  
Combining Balance Sheet  
June 30, 2017

	Operational <u>Fund #11000</u>	Teacherage <u>Fund #12000</u>	Transportation <u>Fund #13000</u>	Instructional Materials <u>Fund #14000</u>	Total General <u>Funds</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 498,018	\$ 78,950	\$ 391	\$ 8,060	\$ 585,419
Receivables:					
Property taxes	5,934	-	-	-	5,934
Due from other governments	1,481	-	-	-	1,481
Due from other funds	<u>271,341</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,341</u>
<b>Total assets</b>	<u>\$ 776,774</u>	<u>\$ 78,950</u>	<u>\$ 391</u>	<u>\$ 8,060</u>	<u>\$ 864,175</u>
 <b>Liabilities, deferred inflows and fund balance</b>					
Liabilities:					
Accounts payable	\$ 69,422	\$ 1,947	\$ 2,244	\$ -	\$ 73,613
Rental deposits	<u>-</u>	<u>3,150</u>	<u>-</u>	<u>-</u>	<u>3,150</u>
Total liabilities	69,422	5,097	2,244	-	76,763
Deferred inflows of resources:					
Delinquent property taxes	4,643	-	-	-	4,643
Fund balance:					
Unassigned	<u>702,709</u>	<u>73,853</u>	<u>(1,853)</u>	<u>8,060</u>	<u>782,769</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 776,774</u>	<u>\$ 78,950</u>	<u>\$ 391</u>	<u>\$ 8,060</u>	<u>\$ 864,175</u>

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

GENERAL FUNDS  
Combining Statements of Revenues, Expenditures, and  
Changes in Fund Balance  
Years Ended June 30, 2017 and 2016

	General Funds				Total General Fund
	Operational Fund #11000	Teacherage Fund #12000	Transportation Fund #13000	Instructional Materials Fund #14000	
<b>Revenues:</b>					
Taxes:					
Property	\$ 31,206	\$ -	\$ -	\$ -	\$ 31,206
Oil and gas	18,414	-	-	-	18,414
Intergovernmental - federal grants	1,048,420	-	-	-	1,048,420
Intergovernmental - state grants	4,821,788	-	510,270	37,264	5,369,322
Contributions - private grants	12	-	-	-	12
Charges for services	16,406	44,164	-	-	60,570
Miscellaneous	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13</u>
<b>Total revenue</b>	<u>5,936,259</u>	<u>44,164</u>	<u>510,270</u>	<u>37,264</u>	<u>6,527,957</u>
<b>Expenditures:</b>					
Current:					
Instruction	2,971,682	-	-	39,746	3,011,428
Support services:					
Students	688,395	-	-	-	688,395
Instruction	163,782	-	-	-	163,782
General Administration	279,432	-	-	-	279,432
School Administration	437,409	-	-	-	437,409
Central Services	582,478	-	-	-	582,478
Operation & Maintenance of Plant	1,033,761	24,471	-	-	1,058,232
Student transportation	85,495	-	511,319	-	596,814
Other Support services	1,737	-	-	-	1,737
Community services	<u>52,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,311</u>
<b>Total expenditures</b>	<u>6,296,482</u>	<u>24,471</u>	<u>511,319</u>	<u>39,746</u>	<u>6,872,018</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(360,223)</u>	<u>19,693</u>	<u>(1,049)</u>	<u>(2,482)</u>	<u>(344,061)</u>
<b>Other financing uses:</b>					
Transfers In	2,697	-	-	-	2,697
Transfers out	<u>(77,261)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(77,261)</u>
<b>Total other financing uses</b>	<u>(74,564)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(74,564)</u>
<i>Net change in fund balance</i>	(434,787)	19,693	(1,049)	(2,482)	(418,625)
<b>Fund balance at beginning of the year</b>	<u>1,137,496</u>	<u>54,160</u>	<u>(804)</u>	<u>10,542</u>	<u>1,201,394</u>
<b>Fund balance at end of the year</b>	<u>\$ 702,709</u>	<u>\$ 73,853</u>	<u>\$ (1,853)</u>	<u>\$ 8,060</u>	<u>\$ 782,769</u>

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

OPERATIONAL FUND - NO. 11000  
**Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
 Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 29,174	\$ 29,174	\$ 31,102	\$ 1,928
Oil and gas	41,574	41,574	18,440	(23,134)
Intergovernmental - federal grants	716,994	716,994	1,048,420	331,426
Intergovernmental - state grants	5,086,846	4,895,594	4,821,788	(73,806)
Contributions - private grants	5,000	5,000	12	(4,988)
Charges for services	8,500	8,500	16,406	7,906
Miscellaneous	-	-	15	15
<b>Total revenues</b>	5,888,088	5,696,836	5,936,183	239,347
<b>Expenditures:</b>				
Current:				
Instruction	2,841,571	2,968,571	2,961,763	6,808
Support services:				
Students	824,523	695,884	688,395	7,489
Instruction	109,315	166,859	163,126	3,733
General Administration	298,259	285,159	277,658	7,501
School Administration	543,440	444,840	437,409	7,431
Central Services	573,405	562,305	557,414	4,891
Operation & Maintenance of Plant	1,171,708	1,032,087	1,015,694	16,393
Student transportation	-	98,917	84,807	14,110
Other Support services	33,176	8,276	1,656	6,620
Food services operations	78,753	1,200	-	1,200
Community services	33,200	52,000	50,650	1,350
<b>Total expenditures</b>	6,507,350	6,316,098	6,238,572	77,526
<i>Excess (deficiency) of revenues over expenditures</i>	(619,262)	(619,262)	(302,389)	316,873
<b>Other financing uses:</b>				
Transfers In	-	-	2,698	2,698
Transfers out	-	-	(77,261)	(77,261)
<b>Total other financing uses</b>	-	-	(74,563)	(74,563)
<i>Net change in fund balance</i>	(619,262)	(619,262)	(376,952)	242,310
<i>Beginning cash balance budgeted</i>	619,262	619,262	-	(619,262)
<b>Fund balance at beginning of the year</b>	-	-	1,137,496	1,137,496
<b>Fund balance at end of the year</b>	\$ -	\$ -	760,544	\$ 760,544
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(1,595)	
Change in property tax receivable			616	
Change in due from other governments			283	
Change in payables			(56,315)	
Change in deferred property taxes			(824)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 702,709	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

TEACHERAGE FUND - NO. 12000  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)**  
**Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 35,000	\$ 35,000	\$ 44,164	\$ 9,164
<b>Expenditures:</b>				
Current:				
Support services:				
Operation & Maintenance of Plant	117,657	122,657	21,824	100,833
Capital outlay	<u>20,000</u>	<u>15,000</u>	-	<u>15,000</u>
<b>Total expenditures</b>	<u>137,657</u>	<u>137,657</u>	<u>21,824</u>	<u>115,833</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(102,657)	(102,657)	22,340	124,997
<i>Beginning cash balance budgeted</i>	102,657	102,657	-	(102,657)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>54,160</u>	<u>54,160</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	76,500	<u>\$ 76,500</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>(2,647)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 73,853</u>	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

TRANSPORTATION FUND - NO. 13000  
**Statement of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 594,767	\$ 510,270	\$ 510,270	\$ -
<b>Expenditures:</b>				
Current:				
Support services:				
Student transportation	594,767	510,270	510,270	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Fund balance (deficit) at beginning of the year</b>	-	-	(804)	(804)
<b>Fund balance at end of the year</b>	\$ -	\$ -	(804)	\$ (804)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(1,049)	
<b>Fund balance (deficit) at end of the year (GAAP basis)</b>			\$ (1,853)	



STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 29,238	\$ 29,238	\$ 37,264	\$ 8,026
<b>Expenditures:</b>				
Current:				
Instruction	29,238	39,780	39,746	34
<i>Excess (deficiency) of revenues over expenditures</i>	-	(10,542)	(2,482)	8,060
<i>Beginning cash balance budgeted</i>	-	10,542	-	(10,542)
<b>Fund balance at beginning of the year</b>	-	-	10,542	10,542
<b>Fund balance at end of the year</b>	\$ -	\$ -	8,060	\$ 8,060
 RECONCILIATION TO GAAP BASIS:				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 8,060	

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MAJOR CAPITAL PROJECTS FUND  
&  
MAJOR DEBT SERVICE FUND

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Investment and interest income	\$ -	\$ -	\$ 4,389	\$ 4,389
<b>Expenditures:</b>				
Current:				
Support services:				
Operation & Maintenance of Plant	270,000	270,000	227,317	42,683
Capital outlay	<u>1,152,689</u>	<u>1,152,689</u>	<u>651,570</u>	<u>501,119</u>
<b>Total expenditures</b>	<u>1,422,689</u>	<u>1,422,689</u>	<u>878,887</u>	<u>543,802</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(1,422,689)	(1,422,689)	(874,498)	548,191
<b>Other financing sources:</b>				
Sale of bonds	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,005,665</u>	<u>5,665</u>
<i>Net change in fund balance</i>	(422,689)	(422,689)	131,167	553,856
<i>Beginning cash balance budgeted</i>	422,689	422,689	-	(422,689)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>633,559</u>	<u>633,559</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>764,726</u>	<u>\$ 764,726</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>(308,384)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 456,342</u>	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 500,000	\$ 500,000	\$ 635,048	\$ 135,048
Oil and gas	<u>610,000</u>	<u>610,000</u>	<u>342,107</u>	<u>(267,893)</u>
<b>Total revenues</b>	<u>1,110,000</u>	<u>1,110,000</u>	<u>977,155</u>	<u>(132,845)</u>
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	8,000	8,000	6,350	1,650
Debt service:				
Principal retirement	780,000	780,000	780,000	-
Bond interest paid	98,784	98,784	74,600	24,184
Debt service reserves	<u>1,886,311</u>	<u>1,886,311</u>	<u>-</u>	<u>1,886,311</u>
<b>Total expenditures</b>	<u>2,773,095</u>	<u>2,773,095</u>	<u>860,950</u>	<u>1,912,145</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(1,663,095)	(1,663,095)	116,205	1,779,300
<b>Other financing uses:</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>77,261</u>	<u>77,261</u>
<i>Net change in fund balance</i>	(1,663,095)	(1,663,095)	193,466	1,856,561
<i>Beginning cash balance budgeted</i>	1,663,095	1,663,095	-	(1,663,095)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>1,995,960</u>	<u>1,995,960</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,189,426</u>	<u>\$ 2,189,426</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			5,916	
Change in due from other governments			3,637	
Change in deferred property taxes			<u>(12,824)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ 2,186,155</u>	

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## NONMAJOR GOVERNMENTAL FUNDS

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**NONMAJOR GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2017

**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 Service** (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 2-4, 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.

**Migrant Children Education** (Fund No. 24103) Minimum Balance: None  
To account for federal resources administered by the State Public Education Department to provide for special educational needs of migratory agricultural workers. Authorized by the Elementary and Secondary Education Act (ESEA) of 1965, as amended by the No Child Left Behind Act of 2001, Title I, Part C (Public Law 107-110).

**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.

**Title III English Language** (Fund No. 24153) Minimum Balance: None  
To ensure that limited English proficient children (LEP) and youth, including immigrant children and youth, attain English proficiency and meet the same standards as all children and youth are expected to meet; to provide assistance to Native American, Native Hawaiian, Native American Pacific Islander, and Alaskan native children with certain modifications relative to the unique status of native American language under Federal Law; to develop to the extent possible, the native language skills of such children. The fund is authorized through the Elementary and Secondary Education Act (ESEA), as amended, Title III, Part A, Sections 3101,3129.

**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.

**Title I School Improvement** (Fund No. 24162) Minimum Balance: None  
To develop parental involvement in the school curriculum. The program is funded by the United States government under P.L. 100-297.

**Johnson O'malley** (Fund No. 25131) Minimum Balance: None  
The Johnson O'Malley project provides supplemental programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. Funding is provided by the Department of the Interior, Bureau of Indian Affairs, through the Navajo Tribe, under the Johnson O'Malley Act of April 16, 1934; as amended 25 U.S.C. 452, Public Law 93-638; 25 U.S.C. 455-457.

**Impact Aid Special/Indian Education** (Fund No. 25145 & 25147) Minimum Balance: None  
To provide financial assistance to local educational agencies (LEA'S) where enrollments or availability of revenue are adversely affected by Federal activities, i.e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), where there is a significant number of children who reside on Federal (including Indian) lands and/or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3 (b); where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistance for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities. Funding authorized by Public Law 81-874.

**NONMAJOR GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2017

**Nonmajor Special Revenue Funds (cont'd)**

<b>Title XIX Medicaid</b> (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, 103-14, 103-333, 104-91, 104-191, 104-193, 104-208, and 104-134; Balanced Budget Act of 1997, Public Law 105-33.	
<b>Indian Ed Formula Grant</b> (Fund No. 25184)	Minimum Balance: None
The purpose of this program is to support projects which improve educational opportunities and achievement of Native American children. Funding is provided by the Federal Government, under the Elementary and Secondary Education Act of 1965, Title IX, Part A, Subpart 1, as amended, Public Law 103-382, 20 U.S.C. 7811-7818; 25 U.S.C. 2002.	
<b>Literacy Through School Libraries</b> (Fund No. 25235)	Minimum Balance: None
To provide students with increased access to up-to-date school library materials, a well-equipped technologically advanced school library media center, and well-trained, professionally certified school library media specialists to improve literacy skills and achievement of students. Elementary and Secondary Education Act of 1965, Title I, Part B, Subpart 4.	
<b>CNM Foundation</b> (Fund No. 26207)	Minimum Balance: None
The funds are to be used for classroom supplies, curriculum materials, software, guest speakers, fieldtrips, conferences, starting a school snack bar or school store.	
<b>Dual Credit Instructional Materials</b> (Fund No. 27103)	Minimum Balance: None
To be used for courses approved by Higher Education Department (HED) and through a college/university for which the district has an approved agreement.	
<b>Library Go Bonds 2012</b> (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).	
<b>Reads To Lead</b> (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.	
<b>Truancy Initiative</b> (27141)	Minimum Balance: None
To assist the District in implementing programs and strategies for the purpose of identifying best practices for truancy prevention that are unique to New Mexico populations and cultures that will assist students to stay in school and succeed. Authority for the creation of this fund is the New Mexico Public Education Department.	
<b>Pre-K Initiative</b> (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.	
<b>Indian Education Act</b> (Fund No. 27150)	Minimum Balance: None
To increase academic achievement and provide culturally relevant learning experiences for American Indian students; to establish collaborative partnerships that engage active participation of American Indian parents, students, tribe(s), community-based organizations, universities, private sector and/or other entities who work with American Indian students; to establish a parent community advisory committee to participate in the development of an Indigenous curriculum framework and to profile Indigenous best practices.	
<b>2013 Pre-K Classrooms</b> (Fund No. 27177)	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.	
<b>Youth Conservation Corp</b> (Fund No. 28133)	Minimum Balance: None
Plan, design, establish, and manage a Youth Conservation Corps Project (the Project) including recruiting, guiding, and coordinating the work of Corps members and providing them with job and life skills training and educational opportunities in accordance with the NMYCC Act	

**NONMAJOR GOVERNMENTAL FUNDS**  
YEAR ENDED JUNE 30, 2017

**Nonmajor Special Revenue Funds (cont'd)**

<b>DWI NM</b> (Fund No. 28145) To provide education program to facilitate prevention activities.	Minimum Balance: None
<b>Gear Up</b> (Fund No. 28178) To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.	Minimum Balance: None
<b>Natural Helpers</b> (Fund No. 28195) Has three primary goals. The program aims to teach student members: (1) effective ways to help and support their friends and peers, (2) positive ways to take care of themselves and be cognizant of their own physical and mental health, (3) ways to contribute to creating safe and supportive school and community environments.	Minimum Balance: None
<b>Life Link</b> (Fund No. 29102) To assist in the assessment of behavior health needs.	Minimum Balance: None
<b>Substance Abuse Ed</b> (Fund No. 29105) To provide culturally relevant and age appropriate alcohol, tobacco, and other drug prevention.	Minimum Balance: None
<b>City/County Grants</b> (Fund No. 29107) To implement science based curriculum.	Minimum Balance: None
<b>School Based Health Center</b> (Fund No. 29130) To enhance school based health centers infrastructure, develop and implement billing protocols, improve communication with school personnel, families, and outside agencies, and improve behavioral health programs.	Minimum Balance: None
<b>Exemplary School Based Health Center</b> (Fund No. 29131) To provide a comprehensive array of school based behavioral health programs and services for school students.	Minimum Balance: None

**Nonmajor 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.

<b>Special Capital Outlay – Federal</b> (Fund No. 31500) To maintain school facilities owned by the Department of Education and operated by Board of Education agencies and transfer these facilities to local agencies where appropriate. These funds are authorized by the Elementary and Secondary Education Act of 1965, Title VIII, Section 8008 as amended.	
<b>State SB-9 Match</b> (Fund No. 31700) To account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).	Minimum Balance: None
<b>Capital Improvements SB – 9</b> (Fund No. 31701) 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.	Minimum Balance: None

**Nonmajor Debt Service Funds**

Debt service funds are used to account for the payment of principal and interest on long-term debt. Debt Service revenues are from taxes and other operating revenues, some of which are pledged specifically to repay certain outstanding bond issues.

<b>Education Technology Debt Service</b> (Fund No. 43000) 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.	Minimum Balance: None
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STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			
	<u>Food Service Fund #21000</u>	<u>Athletics Fund #22000</u>	<u>Migrant Children Education Fund #24103</u>	<u>Entitlement IDEA-B Fund #24106</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 100,888	\$ 25,094	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	35,995	-	2,050	61,924
Due from other governments	-	-	-	-
Food inventory	<u>12,921</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ 149,804</u></b>	<b><u>\$ 25,094</u></b>	<b><u>\$ 2,050</u></b>	<b><u>\$ 61,924</u></b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ 675	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>2,050</u>	<u>61,924</u>
Total liabilities	<u>675</u>	<u>-</u>	<u>2,050</u>	<u>61,924</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	12,921	-	-	-
Restricted for:				
Special revenue funds	136,208	25,094	-	-
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>149,129</u>	<u>25,094</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 149,804</u></b>	<b><u>\$ 25,094</u></b>	<b><u>\$ 2,050</u></b>	<b><u>\$ 61,924</u></b>

( cont'd; 1 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			
	Preschool IDEA-B <u>Fund #24109</u>	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>	Title I School Improvement <u>Fund #24162</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 13,652	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	15,761	22,333	11,101
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 13,652</u>	<u>\$ 15,761</u>	<u>\$ 22,333</u>	<u>\$ 11,101</u>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 2,084	\$ 11,101
Due to other funds	<u>-</u>	<u>15,761</u>	<u>20,249</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>15,761</u>	<u>22,333</u>	<u>11,101</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	13,652	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>13,652</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 13,652</u>	<u>\$ 15,761</u>	<u>\$ 22,333</u>	<u>\$ 11,101</u>

( cont'd; 2 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			
	Johnson O'Malley Fund #25131	Impact Aid Special Education Fund #25145	Impact Aid Indian Education Fund #25147	Title XIX Medicaid Fund #25153
<b>Assets</b>				
Cash and cash equivalents	\$ 11,253	\$ 17	\$ 85,265	\$ 85,280
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b><u>\$ 11,253</u></b>	<b><u>\$ 17</u></b>	<b><u>\$ 85,265</u></b>	<b><u>\$ 85,280</u></b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ 3,753	\$ -	\$ -	\$ 1,131
Due to other funds	-	-	-	-
Total liabilities	<u>3,753</u>	<u>-</u>	<u>-</u>	<u>1,131</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	7,500	-	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	<u>7,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	17	85,265	84,149
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	<u>-</u>	<u>17</u>	<u>85,265</u>	<u>84,149</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 11,253</u></b>	<b><u>\$ 17</u></b>	<b><u>\$ 85,265</u></b>	<b><u>\$ 85,280</u></b>

( cont'd; 3 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			
	Indian Ed Formula Grant Fund #25184	Literacy through School Libraries Fund #25235	CNM Foundation Fund #26207	Dual Credit Instructional Materials Fund #27103
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 1,269	\$ 457	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	8,843	-	-	-
Due from other governments	-	-	-	-
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ 8,843</b>	<b>\$ 1,269</b>	<b>\$ 457</b>	<b>\$ -</b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	8,843	-	-	-
Total liabilities	8,843	-	-	-
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	1,269	-	-
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	1,269	-	-
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	457	-
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	-	457	-
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 8,843</b>	<b>\$ 1,269</b>	<b>\$ 457</b>	<b>\$ -</b>

( cont'd; 4 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			
	Libraries GO Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>	Truancy Initiative <u>Fund #27141</u>	Pre-K Initiative <u>Fund #27149</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	19,498	24,071
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 19,498</u></b>	<b><u>\$ 24,071</u></b>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>19,498</u>	<u>24,071</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>19,498</u>	<u>24,071</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 19,498</u></b>	<b><u>\$ 24,071</u></b>

( cont'd; 5 of 10 )



STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			
	Indian Education Act <u>Fund #27150</u>	2013 Pre-K Classrooms <u>Fund #27177</u>	Youth Conservation Corp <u>Fund #28133</u>	DWI NM <u>Fund #28145</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 510
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510</u>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	510
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>510</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510</u>

( cont'd; 6 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			
	<u>Gear Up</u> <u>Fund #28178</u>	<u>Natural Helpers</u> <u>Fund #28195</u>	<u>Life Link</u> <u>Fund #29102</u>	<u>Substance</u> <u>Abuse Ed</u> <u>Fund #29105</u>
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 1,910	\$ 868
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	-
Due from other governments	-	-	-	-
Food inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910</u>	<u>\$ 868</u>
 <b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	1,910	868
Capital projects funds	-	-	-	-
Debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>1,910</u>	<u>868</u>
 <b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910</u>	<u>\$ 868</u>

( cont'd; 7 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Special Revenue Funds</b>			<b>Total Non-Major Special Revenue Funds</b>
	<b>City/County Grants Fund #29107</b>	<b>School Based Health Center Fund #29130</b>	<b>Exemplary School Based Health Center Fund #29131</b>	
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ 3,055	\$ 60	\$ 329,578
Receivables:				
Property taxes	-	-	-	-
Grant	-	-	-	201,576
Due from other governments	-	-	-	-
Food inventory	-	-	-	12,921
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 3,055</b>	<b>\$ 60</b>	<b>\$ 544,075</b>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 18,744
Due to other funds	-	-	-	152,396
Total liabilities	-	-	-	171,140
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	22,421
Delinquent property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	22,421
Fund balance:				
Non-spendable:				
Inventories	-	-	-	12,921
Restricted for:				
Special revenue funds	-	3,055	60	337,593
Capital projects funds	-	-	-	-
Debt service	-	-	-	-
Total fund balance	-	3,055	60	350,514
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ -</b>	<b>\$ 3,055</b>	<b>\$ 60</b>	<b>\$ 544,075</b>

( cont'd; 8 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	<b>Capital Projects Funds</b>			<b>Total Non-Major Capital Projects Funds</b>
	<b>Special Capital Outlay - Federal Fund #31500</b>	<b>State SB-9 Match Fund #31700</b>	<b>Capital Improvements SB-9 Fund #31701</b>	
<b>Assets</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 297,585	\$ 297,585
Receivables:				
Property taxes	-	-	27,660	27,660
Grant	-	-	-	-
Due from other governments	-	-	6,487	6,487
Food inventory	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 331,732</b>	<b>\$ 331,732</b>
<b>Liabilities, deferred inflows and fund balance</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 14,513	\$ 14,513
Due to other funds	-	-	-	-
Total liabilities	-	-	14,513	14,513
Deferred inflows of resources:				
Advances of federal, state, and local grants	-	-	-	-
Delinquent property taxes	-	-	22,209	22,209
Total deferred inflows of resources	-	-	22,209	22,209
Fund balance:				
Non-spendable:				
Inventories	-	-	-	-
Restricted for:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	295,010	295,010
Debt service	-	-	-	-
Total fund balance	-	-	295,010	295,010
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 331,732</b>	<b>\$ 331,732</b>

( cont'd; 9 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Balance Sheet**  
**June 30, 2017**

	Ed Tech Debt Service <u>Fund #43000</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 53,971	\$ 681,134
Receivables:		
Property taxes	-	27,660
Grant	-	201,576
Due from other governments	-	6,487
Food inventory	<u>-</u>	<u>12,921</u>
<b>Total assets</b>	<b><u>\$ 53,971</u></b>	<b><u>\$ 929,778</u></b>
 <b>Liabilities, deferred inflows and fund balance</b>		
Liabilities:		
Accounts payable	\$ -	\$ 33,257
Due to other funds	<u>-</u>	<u>152,396</u>
Total liabilities	<u>-</u>	<u>185,653</u>
Deferred inflows of resources:		
Advances of federal, state, and local grants	-	22,421
Delinquent property taxes	<u>-</u>	<u>22,209</u>
Total deferred inflows of resources	<u>-</u>	<u>44,630</u>
Fund balance:		
Non-spendable:		
Inventories	-	12,921
Restricted for:		
Special revenue funds	-	337,593
Capital projects funds	-	295,010
Debt service	<u>53,971</u>	<u>53,971</u>
Total fund balance	<u>53,971</u>	<u>699,495</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b><u>\$ 53,971</u></b>	<b><u>\$ 929,778</u></b>

( 10 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	Special Revenue Funds			
	Food Service Fund #21000	Athletics Fund #22000	Migrant Children Education Fund #24103	Entitlement IDEA-B Fund #24106
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	387,023	-	11,460	157,642
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	7,764	54,777	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	394,787	54,777	11,460	157,642
<b>Expenditures:</b>				
Current:				
Instruction	-	40,604	-	66,963
Support services:				
Students	-	-	10,999	30,869
General Administration	-	-	-	10,696
School Administration	-	-	461	46,273
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	384,209	-	-	-
Community services	-	-	-	2,841
Capital outlay	-	-	-	-
<b>Total expenditures</b>	384,209	40,604	11,460	157,642
<i>Excess (deficiency) of revenues over expenditures</i>	10,578	14,173	-	-
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	-
Transfers In	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing uses</b>	-	-	-	-
<i>Net change in fund balance</i>	10,578	14,173	-	-
<b>Fund balance at beginning of the year</b>	138,551	10,921	-	-
<b>Fund balance at end of the year</b>	\$ 149,129	\$ 25,094	\$ -	\$ -

(cont'd; 1 of 10)

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	<b>Special Revenue Funds</b>			
	Preschool IDEA-B <u>Fund #24109</u>	Title III English Language <u>Fund #24153</u>	Title II Teacher Quality <u>Fund #24154</u>	Title I School Improvement <u>Fund #24162</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	2,329	54,703	111,869	35,101
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>2,329</u>	<u>54,703</u>	<u>111,869</u>	<u>35,101</u>
<b>Expenditures:</b>				
Current:				
Instruction	428	54,703	103,140	35,101
Support services:				
Students	1,743	-	-	-
General Administration	158	-	7,449	-
School Administration	-	-	1,280	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>2,329</u>	<u>54,703</u>	<u>111,869</u>	<u>35,101</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	-
Transfers In	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

( cont'd; 2 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	<b>Special Revenue Funds</b>			
	Johnson O'Malley <u>Fund #25131</u>	Impact Aid Special Education <u>Fund #25145</u>	Impact Aid Indian Education <u>Fund #25147</u>	Title XIX Medicaid <u>Fund #25153</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	24,854	33,296	239,047	117,427
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>24,854</u>	<u>33,296</u>	<u>239,047</u>	<u>117,427</u>
<b>Expenditures:</b>				
Current:				
Instruction	20,417	52,345	213,323	58,371
Support services:				
Students	4,437	-	164	33,121
General Administration	-	-	-	-
School Administration	-	-	16,848	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	3,800	66,020
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>24,854</u>	<u>52,345</u>	<u>234,135</u>	<u>157,512</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(19,049)</u>	<u>4,912</u>	<u>(40,085)</u>
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	-
Transfers In	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	(19,049)	4,912	(40,085)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>19,066</u>	<u>80,353</u>	<u>124,234</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 85,265</u>	<u>\$ 84,149</u>

( cont'd; 3 of 10 )



STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	<b>Special Revenue Funds</b>			
	Indian Ed Formula Grant <u>Fund #25184</u>	Literacy through School Libraries <u>Fund #25235</u>	CNM Foundation <u>Fund #26207</u>	Dual Credit Instructional Materials <u>Fund #27103</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	63,524	-	-	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	250	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>63,524</u>	<u>-</u>	<u>250</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction	65,473	-	75	-
Support services:				
Students	-	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>65,473</u>	<u>-</u>	<u>75</u>	<u>-</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>(1,949)</u>	<u>-</u>	<u>175</u>	<u>-</u>
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	-
Transfers In	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	(1,949)	-	175	-
<b>Fund balance at beginning of the year</b>	<u>1,949</u>	<u>-</u>	<u>282</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 457</u>	<u>\$ -</u>

( cont'd; 4 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	Special Revenue Funds			
	Libraries GO		Truancy	
	Bond 2012 <u>Fund #27107</u>	Reads to Lead <u>Fund #27114</u>	Initiative <u>Fund #27141</u>	Pre-K Initiative <u>Fund #27149</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	-	106,914	94,335
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	-	106,914	94,335
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	94,335
Support services:				
Students	-	-	106,914	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	106,914	94,335
<i>Excess (deficiency) of revenues   over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	-
Transfers In	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing uses</b>	-	-	-	-
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	\$ -	\$ -

( cont'd; 5 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	Special Revenue Funds			
	Indian	2013 Pre-K	Youth	
	Education Act	Classrooms	Conservation	DWI NM
	<u>Fund #27150</u>	<u>Fund #27177</u>	<u>Fund #28133</u>	<u>Fund #28145</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	24,448	289,790	-	7,500
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>24,448</u>	<u>289,790</u>	<u>-</u>	<u>7,500</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	11,418
Support services:				
Students	24,448	-	-	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	289,790	-	-
<b>Total expenditures</b>	<u>24,448</u>	<u>289,790</u>	<u>-</u>	<u>11,418</u>
<i>Excess (deficiency) of revenues   over expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,918)</u>
<b>Other financing uses:</b>				
Refunds of grants	-	-	(12,925)	-
Transfers In	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing uses</b>	<u>-</u>	<u>-</u>	<u>(12,925)</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(12,925)	(3,918)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>12,925</u>	<u>4,428</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 510</u>

( cont'd; 6 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	<u>Special Revenue Funds</u>			
	<u>Gear Up Fund #28178</u>	<u>Natural Helpers Fund #28195</u>	<u>Life Link Fund #29102</u>	<u>Substance Abuse Ed Fund #29105</u>
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	-	-	-
Contributions - private grants	-	-	28,754	-
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>28,754</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	1,087
Support services:				
Students	-	-	26,844	-
General Administration	-	-	-	-
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>26,844</u>	<u>1,087</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>-</u>	<u>1,910</u>	<u>(1,087)</u>
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	-
Transfers In	-	-	-	-
Transfers out	-	(2,696)	-	-
<b>Total other financing uses</b>	<u>-</u>	<u>(2,696)</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	(2,696)	1,910	(1,087)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>2,696</u>	<u>-</u>	<u>1,955</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910</u>	<u>\$ 868</u>

(cont'd; 7 of 10)

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	<b>Special Revenue Funds</b>			<b>Total Nonmajor Special Revenue Funds</b>
	City/County	School Based	Exemplary	
	Grants	Health Center	School Based	
	<u>Fund #29107</u>	<u>Fund #29130</u>	<u>Fund #29131</u>	
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ -	\$ -
Oil and gas	-	-	-	-
Intergovernmental - federal grants	-	-	-	1,238,275
Intergovernmental - state grants	-	-	-	522,987
Contributions - private grants	-	-	-	29,004
Charges for services	-	-	-	62,541
Miscellaneous	-	-	-	-
<b>Total revenues</b>	-	-	-	1,852,807
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	817,783
Support services:				
Students	-	6,283	2,230	248,052
General Administration	-	-	-	18,303
School Administration	-	-	-	64,862
Operation & Maintenance of Plant	-	-	-	-
Student transportation	-	-	-	69,820
Food services operations	-	-	-	384,209
Community services	5,378	-	-	8,219
Capital outlay	-	-	-	289,790
<b>Total expenditures</b>	5,378	6,283	2,230	1,901,038
<i>Excess (deficiency) of revenues over expenditures</i>	(5,378)	(6,283)	(2,230)	(48,231)
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	(12,925)
Transfers In	-	-	-	-
Transfers out	-	-	-	(2,696)
<b>Total other financing uses</b>	-	-	-	(15,621)
<i>Net change in fund balance</i>	(5,378)	(6,283)	(2,230)	(63,852)
<b>Fund balance at beginning of the year</b>	5,378	9,338	2,290	414,366
<b>Fund balance at end of the year</b>	\$ -	\$ 3,055	\$ 60	\$ 350,514

(cont'd; 8 of 10)

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	<b>Capital Projects Funds</b>			<b>Total Nonmajor Capital Projects Funds</b>
	Special Capital Outlay - Federal <u>Fund #31500</u>	State SB-9 Match <u>Fund #31700</u>	Capital Improvements SB- 9 <u>Fund #31701</u>	
<b>Revenues:</b>				
Taxes:				
Property	\$ -	\$ -	\$ 140,057	\$ 140,057
Oil and gas	-	-	73,655	73,655
Intergovernmental - federal grants	-	-	-	-
Intergovernmental - state grants	-	18,100	-	18,100
Contributions - private grants	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	-	-	82,088	82,088
<b>Total revenues</b>	-	18,100	295,800	313,900
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
Support services:				
Students	-	-	-	-
General Administration	-	-	1,394	1,394
School Administration	-	-	-	-
Operation & Maintenance of Plant	-	-	263,643	263,643
Student transportation	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	43,827	43,827
<b>Total expenditures</b>	-	-	308,864	308,864
<i>Excess (deficiency) of revenues over expenditures</i>	-	18,100	(13,064)	5,036
<b>Other financing uses:</b>				
Refunds of grants	-	-	-	-
Transfers In	-	-	18,100	18,100
Transfers out	(1)	(18,100)	-	(18,101)
<b>Total other financing uses</b>	(1)	(18,100)	18,100	(1)
<i>Net change in fund balance</i>	(1)	-	5,036	5,035
<b>Fund balance at beginning of the year</b>	1	-	289,974	289,975
<b>Fund balance at end of the year</b>	\$ -	\$ -	\$ 295,010	\$ 295,010

( cont'd; 9 of 10 )

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NON-MAJOR GOVERNMENTAL FUNDS  
**Combining Statement of Revenues, Expenditures, and  
 Changes in Fund Balance  
 Year Ended June 30, 2017**

	Ed Tech Debt Service <u>Fund #43000</u>	Total Nonmajor Governmental <u>Funds</u>
<b>Revenues:</b>		
Taxes:		
Property	\$ -	\$ 140,057
Oil and gas	-	73,655
Intergovernmental - federal grants	-	1,238,275
Intergovernmental - state grants	-	541,087
Contributions - private grants	-	29,004
Charges for services	-	62,541
Miscellaneous	<u>-</u>	<u>82,088</u>
<b>Total revenues</b>	<u>-</u>	<u>2,166,707</u>
<b>Expenditures:</b>		
Current:		
Instruction	-	817,783
Support services:		
Students	-	248,052
General Administration	-	19,697
School Administration	-	64,862
Operation & Maintenance of Plant	-	263,643
Student transportation	-	69,820
Food services operations	-	384,209
Community services	-	8,219
Capital outlay	<u>-</u>	<u>333,617</u>
<b>Total expenditures</b>	<u>-</u>	<u>2,209,902</u>
<i>Excess (deficiency) of revenues over expenditures</i>	<u>-</u>	<u>(43,195)</u>
<b>Other financing uses:</b>		
Refunds of grants	-	(12,925)
Transfers In	-	18,100
Transfers out	<u>-</u>	<u>(20,797)</u>
<b>Total other financing uses</b>	<u>-</u>	<u>(15,622)</u>
<i>Net change in fund balance</i>	-	(58,817)
<b>Fund balance at beginning of the year</b>	<u>53,971</u>	<u>758,312</u>
<b>Fund balance at end of the year</b>	<u>\$ 53,971</u>	<u>\$ 699,495</u>

( 10 of 10 )

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NONMAJOR GOVERNMENTAL FUNDS  
BUDGETARY PRESENTATION

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 300,000	\$ 300,000	\$ 333,462	\$ 33,462
Charges for services	8,000	8,000	7,764	(236)
<b>Total revenues</b>	308,000	308,000	341,226	33,226
<b>Expenditures:</b>				
Current:				
Food services operations	403,374	403,374	366,724	36,650
<i>Excess (deficiency) of revenues     over expenditures</i>	(95,374)	(95,374)	(25,498)	69,876
<i>Beginning cash balance budgeted</i>	95,374	95,374	-	(95,374)
<b>Fund balance at beginning of the year</b>	-	-	138,551	138,551
<b>Fund balance at end of the year</b>	\$ -	\$ -	113,053	\$ 113,053
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in inventory			(957)	
Change in grant receivable			30,557	
Change in payables			6,476	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 149,129	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

ATHLETICS FUND - NO. 22000  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Charges for services	\$ 40,000	\$ 40,000	\$ 54,777	\$ 14,777
<b>Expenditures:</b>				
Current:				
Instruction	52,510	52,510	40,604	11,906
<i>Excess (deficiency) of revenues over expenditures</i>	(12,510)	(12,510)	14,173	26,683
<i>Beginning cash balance budgeted</i>	12,510	12,510	-	(12,510)
<b>Fund balance at beginning of the year</b>	-	-	10,921	10,921
<b>Fund balance at end of the year</b>	\$ -	\$ -	25,094	\$ 25,094
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 25,094	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

MIGRANT CHILDREN EDUCATION FUND - NO. 24103  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 16,691	\$ 16,691	\$ 9,410	\$ (7,281)
<b>Expenditures:</b>				
Current:				
Instruction	16,691	-	-	-
Support services:				
Students	-	15,691	10,999	4,692
School Administration	-	1,000	461	539
<b>Total expenditures</b>	16,691	16,691	11,460	5,231
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,050)	(2,050)
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	(2,050)	\$ (2,050)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			2,050	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 173,891	\$ 265,439	\$ 196,411	\$ (69,028)
<b>Expenditures:</b>				
Current:				
Instruction	11,641	138,891	66,963	71,928
Support services:				
Students	-	33,320	30,869	2,451
General Administration	35,647	18,588	10,696	7,892
School Administration	108,603	56,640	46,273	10,367
Student transportation	5,000	5,000	-	5,000
Community services	13,000	13,000	2,841	10,159
<b>Total expenditures</b>	<b>173,891</b>	<b>265,439</b>	<b>157,642</b>	<b>107,797</b>
<i>Excess of revenues over expenditures</i>	-	-	38,769	38,769
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	38,769	\$ 38,769
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(38,769)	
<b>Fund balance at end of the year (GAAP basis)</b>			<b>\$ -</b>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 7,927	\$ 16,257	\$ 5,046	\$ (11,211)
<b>Expenditures:</b>				
Current:				
Instruction	3,000	10,826	428	10,398
Support services:				
Students	3,057	3,057	1,743	1,314
General Administration	634	1,138	158	980
School Administration	1,236	1,236	-	1,236
<b>Total expenditures</b>	7,927	16,257	2,329	13,928
<i>Excess of revenues over expenditures</i>	-	-	2,717	2,717
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	2,717	\$ 2,717
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in deferred revenue			(2,717)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

TITLE III ENGLISH LANGUAGE FUND - NO. 24153  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 26,663	\$ 66,297	\$ 70,158	\$ 3,861
<b>Expenditures:</b>				
Current:				
Instruction	26,140	65,774	54,703	11,071
Support services:				
General Administration	<u>523</u>	<u>523</u>	-	<u>523</u>
<b>Total expenditures</b>	<u>26,663</u>	<u>66,297</u>	<u>54,703</u>	<u>11,594</u>
<i>Excess of revenues over expenditures</i>	-	-	15,455	15,455
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance at end of the year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	15,455	<u><u>\$ 15,455</u></u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>(15,455)</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u><u>\$ -</u></u>	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 64,023	\$ 143,027	\$ 110,272	\$ (32,755)
<b>Expenditures:</b>				
Current:				
Instruction	54,023	123,011	101,056	21,955
Support services:				
Students	5,000	5,000	-	5,000
General Administration	-	10,016	7,449	2,567
School Administration	5,000	5,000	1,280	3,720
<b>Total expenditures</b>	64,023	143,027	109,785	33,242
<i>Excess of revenues over expenditures</i>	-	-	487	487
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	487	\$ 487
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			1,597	
Change in payables			(2,084)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	



STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

TITLE I SCHOOL IMPROVEMENT FUND - NO. 24162  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 24,000	\$ 24,000	\$ 28,208	\$ 4,208
<b>Expenditures:</b>				
Current:				
Instruction	24,000	24,000	24,000	-
<i>Excess of revenues over expenditures</i>	-	-	4,208	4,208
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	4,208	\$ 4,208
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			6,893	
Change in payables			(11,101)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

JOHNSON O'MALLEY FUND - NO. 25131  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 21,844	\$ 21,844	\$ 21,372	\$ (472)
<b>Expenditures:</b>				
Current:				
Instruction	20,714	20,714	16,725	3,989
Support services:				
Students	11,000	11,000	4,376	6,624
<b>Total expenditures</b>	<u>31,714</u>	<u>31,714</u>	<u>21,101</u>	<u>10,613</u>
<i>Excess (deficiency) of revenues     over expenditures</i>	(9,870)	(9,870)	271	10,141
<i>Beginning cash balance budgeted</i>	9,870	9,870	-	(9,870)
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>271</u>	<u>\$ 271</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			(3,754)	
Change in deferred revenue			3,483	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

IMPACT AID SPECIAL EDUCATION FUND - NO. 25145  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 35,436	\$ 35,436	\$ 33,296	\$ (2,140)
<b>Expenditures:</b>				
Current:				
Instruction	54,690	54,690	52,345	2,345
<i>Excess (deficiency) of revenues over expenditures</i>	(19,254)	(19,254)	(19,049)	205
<i>Beginning cash balance budgeted</i>	19,254	19,254	-	(19,254)
<b>Fund balance at beginning of the year</b>	-	-	19,066	19,066
<b>Fund balance at end of the year</b>	\$ -	\$ -	17	\$ 17
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 17	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

IMPACT AID INDIAN EDUCATION FUND - NO. 25147  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 200,000	\$ 200,000	\$ 239,047	\$ 39,047
<b>Expenditures:</b>				
Current:				
Instruction	226,829	226,829	213,323	13,506
Support services:				
Students	-	200	164	36
School Administration	20,780	20,580	16,848	3,732
Student transportation	7,489	7,489	3,800	3,689
<b>Total expenditures</b>	255,098	255,098	234,135	20,963
<i>Excess (deficiency) of revenues   over expenditures</i>	(55,098)	(55,098)	4,912	60,010
<i>Beginning cash balance budgeted</i>	55,098	55,098	-	(55,098)
<b>Fund balance at beginning of the year</b>	-	-	80,353	80,353
<b>Fund balance at end of the year</b>	\$ -	\$ -	85,265	\$ 85,265
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 85,265	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive
				(Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 40,000	\$ 95,097	\$ 117,427	\$ 22,330
<b>Expenditures:</b>				
Current:				
Instruction	67,278	70,175	57,240	12,935
Support services:				
Students	75,100	45,300	33,121	12,179
Student transportation	-	82,000	66,020	15,980
<b>Total expenditures</b>	142,378	197,475	156,381	41,094
<i>Excess (deficiency) of revenues over expenditures</i>	(102,378)	(102,378)	(38,954)	63,424
<i>Beginning cash balance budgeted</i>	102,378	102,378	-	(102,378)
<b>Fund balance at beginning of the year</b>	-	-	124,234	124,234
<b>Fund balance at end of the year</b>	\$ -	\$ -	85,280	\$ 85,280
RECONCILIATION TO GAAP BASIS:				
Change in payables			(1,131)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 84,149	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

INDIAN ED FORMULA GRANT FUND - NO. 25184

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ 66,817	\$ 66,817	\$ 54,680	\$ (12,137)
<b>Expenditures:</b>				
Current:				
Instruction	<u>66,817</u>	<u>66,817</u>	<u>65,473</u>	<u>1,344</u>
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(10,793)	(10,793)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>1,949</u>	<u>1,949</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	(8,844)	<u>\$ (8,844)</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			<u>8,844</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

LITERACY THROUGH SCHOOL LIBRARIES FUND - NO. 25235  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

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

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

CNM FOUNDATION FUND - NO. 26207  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ -	\$ 250	\$ 250
<b>Expenditures:</b>				
Current:				
Instruction	1,500	1,500	75	1,425
<i>Excess (deficiency) of revenues over expenditures</i>	(1,500)	(1,500)	175	1,675
<i>Beginning cash balance budgeted</i>	1,500	1,500	-	(1,500)
<b>Fund balance at beginning of the year</b>	-	-	282	282
<b>Fund balance at end of the year</b>	\$ -	\$ -	457	\$ 457
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 457	



STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

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

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ 164	\$ 164
<b>Expenditures:</b>				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	164	164
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	164	\$ 164
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(164)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ 9,709	\$ 9,709
<b>Expenditures:</b>				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	9,709	9,709
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	9,709	\$ 9,709
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(9,709)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

TRUANCY INITIATIVE FUND - NO. 27141  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 120,000	\$ 120,000	\$ 104,862	\$ (15,138)
<b>Expenditures:</b>				
Current:				
Support services:				
Students	120,000	120,000	106,914	13,086
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(2,052)	(2,052)
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	(2,052)	\$ (2,052)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			2,052	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 64,124	\$ 96,186	\$ 89,454	\$ (6,732)
<b>Expenditures:</b>				
Current:				
Instruction	64,124	96,186	94,335	1,851
<i>Excess (deficiency) of revenues over expenditures</i>	-	-	(4,881)	(4,881)
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	(4,881)	\$ (4,881)
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			4,881	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

INDIAN EDUCATION ACT FUND - NO. 27150

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 25,000	\$ 28,325	\$ 3,325
<b>Expenditures:</b>				
Current:				
Support services:				
Students	-	25,000	24,448	552
<i>Excess of revenues over expenditures</i>	-	-	3,877	3,877
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	3,877	\$ 3,877
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(3,877)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

2013 PRE-K CLASSROOMS FUND - NO. 27177

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ 289,790	\$ 289,790	\$ 342,540	\$ 52,750
<b>Expenditures:</b>				
Capital outlay	289,790	289,790	289,790	-
<i>Excess of revenues over expenditures</i>	-	-	52,750	52,750
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	52,750	\$ 52,750
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(52,750)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

YOUTH CONSERVATION CORP FUND - NO. 28133

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Refunds of grants	-	-	(12,925)	(12,925)
<i>Net change in fund balance</i>	-	-	(12,925)	(12,925)
<b>Fund balance at beginning of the year</b>	-	-	12,925	12,925
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	



STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

DWI NM FUND - NO. 28145  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 10,000	\$ 7,500	\$ (2,500)
<b>Expenditures:</b>				
Current:				
Instruction	<u>6,192</u>	<u>16,192</u>	<u>11,418</u>	<u>4,774</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(6,192)	(6,192)	(3,918)	2,274
<i>Beginning cash balance budgeted</i>	6,192	6,192	-	(6,192)
<b>Fund balance at beginning of the year</b>	<u>-</u>	<u>-</u>	<u>4,428</u>	<u>4,428</u>
<b>Fund balance at end of the year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>510</u>	<u><u>\$ 510</u></u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			<u>-</u>	
<b>Fund balance at end of the year (GAAP basis)</b>			<u><u>\$ 510</u></u>	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

GEAR UP FUND - NO. 28178

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

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

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

NATURAL HELPERS FUND - NO. 28195  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers out	-	-	(2,696)	(2,696)
<i>Net change in fund balance</i>	-	-	(2,696)	(2,696)
<b>Fund balance at beginning of the year</b>	-	-	2,696	2,696
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

STATE OF NEW MEXICO  
CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

LIFE LINK FUND - NO. 29102  
Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
Year Ended June 30, 2017

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ 36,646	\$ 36,646	\$ 33,021	\$ (3,625)
<b>Expenditures:</b>				
Current:				
Instruction	36,646	-	-	-
Support services:				
Students	-	36,646	26,844	9,802
<b>Total expenditures</b>	36,646	36,646	26,844	9,802
<i>Excess of revenues over expenditures</i>	-	-	6,177	6,177
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	6,177	\$ 6,177
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in grant receivable			(4,267)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 1,910	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

SUBSTANCE ABUSE ED FUND - NO. 29105

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	1,800	1,800	1,087	713
<i>Excess (deficiency) of revenues over expenditures</i>	(1,800)	(1,800)	(1,087)	713
<i>Beginning cash balance budgeted</i>	1,800	1,800	-	(1,800)
<b>Fund balance at beginning of the year</b>	-	-	1,955	1,955
<b>Fund balance at end of the year</b>	\$ -	\$ -	868	\$ 868
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 868	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

CITY/COUNTY GRANTS FUND - NO. 29107

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Community services	5,634	5,634	5,378	256
<i>Excess (deficiency) of revenues over expenditures</i>	(5,634)	(5,634)	(5,378)	256
<i>Beginning cash balance budgeted</i>	5,634	5,634	-	(5,634)
<b>Fund balance at beginning of the year</b>	-	-	5,378	5,378
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

SCHOOL BASED HEALTH CENTER FUND - NO. 29130  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Support services:				
Students	8,336	8,336	6,283	2,053
<i>Excess (deficiency) of revenues over expenditures</i>	(8,336)	(8,336)	(6,283)	2,053
<i>Beginning cash balance budgeted</i>	8,336	8,336	-	(8,336)
<b>Fund balance at beginning of the year</b>	-	-	2,338	2,338
<b>Fund balance at end of the year</b>	\$ -	\$ -	3,055	\$ 3,055
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 3,055	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

EXEMPLARY SCHOOL BASED HEALTH CENTER FUND - NO. 29131  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Support services:				
Students	2,290	2,290	2,230	60
<i>Excess (deficiency) of revenues over expenditures</i>	(2,290)	(2,290)	(2,230)	60
<i>Beginning cash balance budgeted</i>	2,290	2,290	-	(2,290)
<b>Fund balance at beginning of the year</b>	-	-	2,290	2,290
<b>Fund balance at end of the year</b>	\$ -	\$ -	60	\$ 60
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 60	



STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

SPECIAL CAPITAL OUTLAY - FEDERAL FUND - NO. 31500  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget
				Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - federal grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Instruction	-	-	-	-
<i>Excess of revenues over expenditures</i>	-	-	-	-
<b>Other financing uses:</b>				
Transfers out	-	-	(1)	(1)
<i>Net change in fund balance</i>	-	-	(1)	(1)
<b>Fund balance at beginning of the year</b>	-	-	1	1
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			<u>\$ -</u>	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

STATE SB-9 MATCH FUND - NO. 31700  
**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Intergovernmental - state grants	\$ -	\$ 18,922	\$ 18,100	\$ (822)
<b>Expenditures:</b>				
Current:				
Support services:				
Operation & Maintenance of Plant	-	18,922	-	18,922
<i>Excess of revenues over expenditures</i>	-	-	18,100	18,100
<b>Other financing uses:</b>				
Transfers out	-	-	(18,100)	(18,100)
<i>Net change in fund balance</i>	-	-	-	-
<b>Fund balance at beginning of the year</b>	-	-	-	-
<b>Fund balance at end of the year</b>	\$ -	\$ -	-	\$ -
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ -	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

CAPITAL IMPROVEMENTS SB-9 FUND - NO. 31701

**Schedule of Revenues, Expenditures, and  
 Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis)  
 Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Taxes:				
Property	\$ 131,703	\$ 131,703	\$ 139,439	\$ 7,736
Oil and gas	166,297	166,297	73,758	(92,539)
Miscellaneous	-	-	82,088	82,088
<b>Total revenues</b>	298,000	298,000	295,285	(2,715)
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	1,500	1,500	1,394	106
Operation & Maintenance of Plant	300,143	395,843	249,130	146,713
Capital outlay	200,000	104,300	43,827	60,473
<b>Total expenditures</b>	501,643	501,643	294,351	207,292
<i>Excess (deficiency) of revenues over expenditures</i>	(203,643)	(203,643)	934	204,577
<b>Other financing uses:</b>				
Transfers In	-	-	18,100	18,100
<i>Net change in fund balance</i>	(203,643)	(203,643)	19,034	222,677
<i>Beginning cash balance budgeted</i>	203,643	203,643	-	(203,643)
<b>Fund balance at beginning of the year</b>	-	-	289,974	289,974
<b>Fund balance at end of the year</b>	\$ -	\$ -	309,008	\$ 309,008
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in property tax receivable			2,403	
Change in due from other governments			1,338	
Change in payables			(14,513)	
Change in deferred property taxes			(3,226)	
<b>Fund balance at end of the year (GAAP basis)</b>			\$ 295,010	

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

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, 2017**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Contributions - private grants	\$ -	\$ -	\$ -	\$ -
<b>Expenditures:</b>				
Current:				
Support services:				
General Administration	100	100	-	100
Debt service:				
Debt service reserves	<u>53,871</u>	<u>53,871</u>	-	<u>53,871</u>
<b>Total expenditures</b>	<u>53,971</u>	<u>53,971</u>	-	<u>53,971</u>
<i>Excess (deficiency) of revenues over expenditures</i>	(53,971)	(53,971)	-	53,971
<i>Beginning cash balance budgeted</i>	53,971	53,971	-	(53,971)
<b>Fund balance at beginning of the year</b>	-	-	<u>53,971</u>	<u>53,971</u>
<b>Fund balance at end of the year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>53,971</u>	<u>\$ 53,971</u>
<b>RECONCILIATION TO GAAP BASIS:</b>				
Change in payables			-	
<b>Fund balance at end of the year (GAAP basis)</b>			<u><u>\$ 53,971</u></u>	

## STATE REQUIRED DISCLOSURES

Supplemental schedules required by the State of  
New Mexico to provide additional analysis.

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

FIDUCIARY FUNDS  
**Schedule of Changes in Assets and Liabilities - All Agency Funds**  
**Year Ended June 30, 2017**

Activity		Balance				Balance
<u>Fund</u>	<u>ASSETS</u>	<u>June 30, 2016</u>	<u>Receipts</u>	<u>Disbursements</u>		<u>June 30, 2017</u>
23904	HS Honor Society	\$ 62	\$ -	\$ -		\$ 62
23905	Cheerleaders	1	3,800	2,340		1,461
23912	HS General	2,925	2,202	415		4,712
23913	HS Softball	-	60	-		60
23914	Boys Basketball	2,052	10,634	10,606		2,080
23915	HS Library	360	-	175		185
23916	Girls Basketball	2,272	2,842	525		4,589
23917	HS Indian Club	2,878	137	507		2,508
23920	HS Science	1	3,355	2,976		380
23922	Swimming Pool	9,881	596	985		9,492
23923	HS Student Senate	496	1,398	1,100		794
23924	HS Vocational	782	200	-		982
23925	HS Yearbook	644	1,350	1,133		861
23928	MS General MS Incentive	626	2,562	361		2,827
23931	MS Library	1,661	62	1,338		385
23933	HS Volleyball	1,039	2,758	2,529		1,268
23934	MS Student Council	64	14	-		78
23935	MS Concession	421	922	552		791
23936	Elementary Fund	319	725	460		584
23937	Cross Country	632	705	705		632
23940	Track	142	-	-		142
23941	HS Special Ed	1,462	-	104		1,358
23942	National Jr. Honor Society	35	-	-		35
23944	Elementary Drug Education	709	111	820		-
23947	HS Football	2,185	405	522		2,068
23950	Athletic Special Events	1,524	2,241	2,888		877
23954	Elementary PAC	1,218	1,752	2,107		863
23959	HS Concession	13,195	35,686	30,483		18,398
23962	HS Rodeo	-	3,188	2,067		1,121
23975	Elementary Girls Basketball	-	281	281		-
23976	Elementary Yearbook	1,204	400	-		1,604
23980	Summer School	-	1,554	1,554		-
23981	Class Of 2018	-	1,608	-		1,608
23982	Class Of 2019	-	3,697	3,570		127
23983	Class Of 2020	-	70	-		70
23993	Elementary Library	877	3,130	3,461		546
23948	MS 8th Grade Girls Basketball	1,030	948	400		1,578
23964	Class of 2016	824	-	77		747
23970	District Student Activities	955	31	50		936
23971	HS Culinary Arts	2,065	1,314	1,722		1,657
23974	Elementary Boys Basketball	435	870	-		1,305
23998	MS Volleyball Fund	<u>675</u>	<u>117</u>	<u>483</u>		<u>309</u>
	Pooled cash and investments	<u>\$ 55,651</u>	<u>\$ 91,725</u>	<u>\$ 77,296</u>		<u>\$ 70,080</u>
 <b><u>LIABILITIES</u></b>						
	Deposits held for others	<u>\$ 55,651</u>	<u>\$ 91,725</u>	<u>\$ 77,296</u>		<u>\$ 70,080</u>

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

SCHEDULE OF PLEDGED COLLATERAL  
**June 30, 2017**

	<u>Wells Fargo Bank</u>	<u>New Mexico Finance Authority</u>	<u>Total</u>
<b>Cash on deposit at June 30, 2017:</b>			
Checking and savings	\$ 3,686,930	\$ 945,539	\$ 4,632,469
Less: FDIC coverage	(250,000)	-	(250,000)
Uninsured funds	<u>\$ 3,436,930</u>	<u>\$ 945,539</u>	<u>\$ 4,382,469</u>
 <b>Amount requiring pledged collateral:</b>			
50% collateral requirement	\$ 1,718,465	\$ 472,770	\$ 2,191,235
Pledged collateral	<u>1,891,510</u>	<u>945,539</u>	<u>2,837,049</u>
Excess (deficiency) of pledged collateral	<u>\$ 173,045</u>	<u>\$ 472,769</u>	<u>\$ 645,814</u>

Pledged collateral of financial institutions consists of the following at June 30, 2017

<u>Wells Fargo Bank:</u>	<u>Maturity</u>	<u>CUSIP #</u>	<u>Market Value</u>
FNMA	12/1/2041	31417ARZ4	<u>\$ 1,891,510</u>

The above securities are held at Bank of New York Mellon, New York, NY.

State of New Mexico:

Detail of the pledged collateral to the District is unavailable because the bank commingles pledged collateral for all state funds it holds. However, the State Treasurer's Office Collateral Bureau monitors the pledged collateral for all state funds.

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

CASH RECONCILIATION  
**Year Ended June 30, 2017**

	Beginning Cash	Receipts	Distributions	Other	Net Cash End of Period	Adjustments to the report	Total Cash on Report
Operations	\$ 695,090	\$ 5,936,182	\$ 6,238,573	\$ 105,319	\$ 498,018	\$ -	\$ 498,018
Teacherege	56,610	44,164	21,824	-	78,950	-	78,950
Transportation	-	510,270	510,270	391	391	-	391
Instructional Materials	10,542	37,264	39,746	-	8,060	-	8,060
Food Services	126,386	341,226	366,724	-	100,888	-	100,888
Athletics	10,921	54,777	40,604	-	25,094	-	25,094
Federal Flowthrough Funds	10,935	1,113,576	987,226	(123,633)	13,652	-	13,652
Federal Direct Funds	237,854	465,821	529,435	8,844	183,084	-	183,084
Local Grants	282	250	75	-	457	-	457
State Flowthrough Funds	-	575,054	515,487	(59,567)	-	-	-
State Direct Funds	20,049	7,500	11,417	(15,622)	510	-	510
Local/State	18,961	33,021	41,822	(4,267)	5,893	-	5,893
Bond Building	638,012	4,389	878,886	1,005,665	769,180	-	769,180
Special Capital Outlay - Federal	1	-	-	(1)	-	-	-
State SB-9 Match	-	18,100	-	(18,100)	-	-	-
Capital Improvements SB-9	278,552	295,284	294,351	18,100	297,585	-	297,585
Debt Service	1,937,934	977,156	860,950	77,261	2,131,401	-	2,131,401
Ed Tech Debt Service	53,971	-	-	-	53,971	-	53,971
Agency Funds	-	-	-	-	-	70,080	70,080
<b>Total</b>	<b>\$ 4,096,100</b>	<b>\$ 10,414,034</b>	<b>\$ 11,337,390</b>	<b>\$ 994,390</b>	<b>\$ 4,167,134</b>	<b>\$ 70,080</b>	<b>\$ 4,237,214</b>

<u>Account Name</u>	<u>Account Type</u>	<u>Bank Name</u>	<u>Bank Amount</u>	Adjustments to cash:	
Operational	Checking - Non-Interest	Wells Fargo Bank	\$ 3,686,930	Bank Balance	\$ 4,632,469
Capital projects	Checking - Interest	NM Finance Authority	945,539	Cash on hand	-
			<u>\$ 4,632,469</u>	Outstanding deposits	-
				Outstanding checks	(395,255)
				Errors	-
				Total adjusted cash	<u>\$ 4,237,214</u>



## COMPLIANCE SECTION

Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards

§

Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on the Schedule of Expenditures of  
Federal Awards Required By Uniform Guidance

§

Schedule of Findings and Questioned Costs:  
Summary of Auditor's Results  
Financial Statement Findings  
Federal Award Findings

§

Summary Schedule of Prior Year Audit Findings

§

Schedule of Expenditures of Federal Awards  
Notes to the Schedule of Expenditures of Federal Awards

§

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 Audit Committee of  
Cuba Independent School District No. 62

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 Cuba Independent School District No. 62 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Cuba Independent School District No. 62's basic financial statements, and the combining and individual funds and related budgetary comparisons of Cuba Independent School District No. 62, presented as supplemental information, and have issued our report thereon dated October 6, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit, of the financial statements, we considered Cuba Independent School District No. 62'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 Cuba Independent School District No. 62's internal control. Accordingly, we do not express an opinion on the effectiveness of Cuba Independent School District No. 62'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 Cuba Independent School District No. 62'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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be significant deficiencies. Finding 2017-001. However, material weaknesses may exist that have not been identified.

**Compliance and other matters**

As part of obtaining reasonable assurance about whether Cuba Independent School District No. 62'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 finding 2017-001.

Tim Keller, State Auditor  
The Board of Education and Audit Committee of  
Cuba Independent School District No. 62

### **Cuba Independent School District No. 62's Response to Findings**

Cuba Independent School District No. 62 responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Cuba Independent School District No. 62'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 Cuba Independent School District No. 62'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  
October 6, 2017



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL  
OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Tim Keller, State Auditor,  
The Board of Education and Audit Committee of  
Cuba Independent School District No. 62

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

We have audited Cuba Independent School District No. 62's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Cuba Independent School District No. 62's major federal programs for the year ended June 30, 2017. Cuba Independent School District No. 62's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Cuba Independent School District No. 62's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Cuba Independent School District No. 62's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Cuba Independent School District No. 62's compliance.

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

In our opinion, Cuba Independent School District No. 62 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Tim Keller, State Auditor,  
The Board of Education and Audit Committee of  
Cuba Independent School District No. 62

### **Report on Internal Control Over Compliance**

Management of Cuba Independent School District No. 62 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Cuba Independent School District No. 62's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Cuba Independent School District No. 62's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

*Accounting & Financial Solutions, LLC*  
Farmington, New Mexico  
October 6, 2017

SCHEDULE OF EXPENDITURES  
OF FEDERAL AWARDS

STATE OF NEW MEXICO  
**CUBA INDEPENDENT SCHOOL DISTRICT NO. 62**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
**Year Ended June 30, 2017**

<u>Federal Grantor/Pass - Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed To Subrecipients</u>	<u>Cluster Programs</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture:</b>					
Direct Program:					
Forest Reserve	10.665	11000	\$ -		\$ 522
Pass-Through Program From:					
New Mexico Department of Education:					
<u>Child Nutrition Cluster:</u>					
USDA National School Lunch Program	10.555	21000	-	\$ 243,649	
USDA School Breakfast Program	10.553	21000	-	117,555	
Total Child Nutrition Cluster					361,204
Pass-Through Program From:					
New Mexico Human Service Department:					
USDA Commodities Program	10.565	21000	-		23,005
<i>Subtotal Pass-Through Programs</i>					384,209
<i>Total U.S. Department of Agriculture</i>					384,731
<b>U.S. Department of Interior</b>					
Pass-Through Programs From:					
Office of the Navajo Nation:					
Johnson O'Malley	15.130	25131	-		24,854
<b>U.S. Department of Education:</b>					
Direct Programs:					
Impact Aid Indian Education	84.041	11000	-		961,373
Impact Aid Special Education	84.041	25145	-		52,345
Impact Aid Indian Education	84.041	25147	-		234,135
Indian Ed Formula Grant	84.060	25184	-		65,473
<i>Subtotal Direct Programs</i>					1,313,326
Pass-Through Programs From:					
New Mexico Department of Education:					
<u>Special Education (IDEA) Cluster:</u>					
Entitlement IDEA-B	84.027	24106	-	\$ 157,642	
Preschool IDEA-B	84.173	24109	-	2,329	
Total Special Education (IDEA) Cluster					159,971
Title I	84.010	24101	-		630,507
Migrant Children Education	84.011	24103	-		11,460
Title III English Language	84.365	24153	-		54,703
Title II Teacher Quality	84.367	24154	-		111,869
Title I School Improvement	84.010	24162	-		35,101
<i>Subtotal Pass-Through Programs</i>					1,003,611
<i>Total U.S. Department of Education</i>					2,316,937
<b>U.S. Department of Health and Human Services:</b>					
Pass-Through Program From:					
New Mexico Department of Health:					
Title XIX Medicaid	93.778	25153	-		157,512
Total Expenditures of Federal Awards			\$ -		\$ 2,884,034

See the accompanying notes to the Schedule of Expenditures of Federal Awards.



# NOTES THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

## 1. Scope of audit pursuant to OMB Uniform Grant Guidance

All federal grant operations of Cuba Independent School District No. 62 (the "District") are included in the scope of the Office of Management and Budget ("OMB") Uniform Grant Guidance audit (the "Single Audit"). The Single Audit was performed in accordance with the provisions of the OMB Circular Compliance Supplement (Revised August 2017 the "Compliance Supplement"). Compliance testing of all requirements are described in the Compliance Supplement, was performed for the grants programs noted below. These programs represent all federal award programs and other grants with fiscal year 2017 cash and non-cash expenditures to ensure coverage of at least 20% (LOW risk auditee) of federally granted funds. Actual coverage is approximately 66% of total cash and non-cash federal award program expenditures. Total cash expenditures were in the amount of \$2,861,029 and all non-cash expenditures amounted to \$23,005.

<u>MAJOR FEDERAL PROGRAM</u>	<u>EXPENDITURE</u>
Cash Assistance:	
Impact Aid	\$ 1,247,853
Title I	<u>665,608</u>
Total	<u>\$ 1,913,461</u>

The District did not have any federal programs considered high risk Type A programs for the 2017.

The U.S. Department of Education is the District's oversight agency for single audit.

## 2. Summary of significant accounting policies

### Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Uniform Grant Guidance. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position and changes in net position of the District. All federal programs considered active during the year ended June 30, 2017, are reflected on the Schedule. An active federal program is defined as a federal program for which there were receipts or disbursements of funds or accrued (deferred) grant revenue adjustments during the fiscal year or a federal program considered as not completed or closed out at the beginning of the fiscal year. The Schedule is prepared using the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the District has met the qualifications for the respective grant. Grant revenues for the Food Donation Program are based upon commodities received, at amounts per standard price listing, published quarterly by the United States Department of Agriculture (the "USDA"). In addition, there is no federal insurance in effect during the year and loan or loan guarantee outstanding at year end.

### Accrued and deferred reimbursements

Various reimbursement procedures are used for Federal awards received by the District. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over receipts to date. Deferred balance at year-end represent an excess of cash receipts over reimbursable expenditure to date. Generally, accrued or deferred balances covered by differences in the timing of cash receipts and expenditures will be reversed in the remaining grant period.

## 3. Reconciliation of Federal Awards to Expenditure of Federal Awards

The differences between the federal awards received (Intergovernmental sources – federal) during the year ended June 30, 2017 and the federal awards expended during the year are as follows:

Federal Sources	\$ 2,917,202
Indirect costs from federal programs	(86,525)
Unexpended federal sources from current year	(215,193)
Prior year federal sources expended	<u>268,550</u>
Total Expenditures of Federal Awards	<u>\$ 2,884,034</u>

**NOTES THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 YEAR ENDED JUNE 30, 2017

**4. Unexpended Federal Awards**

There were federal awards received during the year ended June 30, 2017 that were not expended during the year. These awards will be reported in subsequent years when they have been expended. Those amounts are as follows:

	<u>CFDA #</u>	<u>FUND #</u>	<u>Unexpended Awards</u>			<u>Total</u>
			<u>Carryover</u>	<u>2017</u>		
			<u>From PY</u>	<u>Awards</u>	<u>Expended</u>	<u>Unexpended</u>
Food Service	10.555	21000	\$ 42,948	\$ 364,018	\$ (361,204)	\$ 45,762
Impact Aid Special Education	84.041	25145	19,066	33,296	(52,345)	17
Impact Aid Indian Education	84.041	25147	80,353	239,047	(234,135)	85,265
Title XIX Medicaid	93.778	25153	124,234	117,427	(157,512)	84,149
Indian Ed Formula Grant	84.060	25184	1,949	63,524	(65,473)	-
			<u>\$ 268,550</u>	<u>\$ 817,312</u>	<u>\$ (870,669)</u>	<u>\$ 215,193</u>

**5. Indirect Costs**

The District has not elected to use the 10% de minimis indirect cost.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 YEAR ENDED JUNE 30, 2017

I. SUMMARY OF AUDIT RESULTS

	<u>Yes</u>	<u>No</u>	<u>Occurrences</u>
<b>FINANCIAL STATEMENTS:</b>			
Type of auditor's report issued: <u>Unmodified</u>			
Internal control over financial reporting:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	✓	—	1
Noncompliance material to financial statements noted?	—	✓	—
<b>FEDERAL AWARDS:</b>			
Internal control over major programs:			
Material weakness(es) identified?	—	✓	—
Significant Deficiency(ies) identified?	—	✓	—
Type of auditor's report issued on compliance with major programs: <u>Unmodified</u>			
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance?	—	✓	—
The programs treated as major programs include:			
<b><u>Name of Federal Program or Cluster</u></b>	<b><u>CFDA Number</u></b>		
Impact Aid	84.041		
Title I	84.010		
The threshold for distinguishing types A and B programs: <u>\$750,000</u>			
Auditee qualified as low-risk auditee?	✓	—	

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
YEAR ENDED JUNE 30, 2017

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II. FINDINGS RELATED TO FINANCIAL STATEMENTS

2017 – 001 INTERNAL CONTROLS  
*Significant Deficiency*

Condition: The following concerns were encountered during the audit:

The District had issued a refunding general obligation bond in the amount of \$601,658 (Series 08/26/16) to refund Series 06/01/06 in the amount of \$590,000 for principal and \$1,480 for interest. The funds from the issue and the subsequent payments were done through custody of New Mexico Mortgage Finance. The bond issue and the payments to the refunding agent were not recorded in the District's general ledger. There was \$4,512 paid for issue costs associated with the bond issue. The remaining \$5,666 was issue funds in excess of refunding payments and this amount was recorded and reconciled by the District.

During cash test work, we noted 61 checks that were written over a year ago for a total of \$19,831 listed as outstanding checks on the June 30, 2017 bank reconciliation.

Criteria: Per NMAC 6.20.2.11 Internal Control Structure Standards, every school district shall establish and maintain an internal control structure to provide management with reasonable assurance that assets are safe-guarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with GAAP.

Per Section 6-10-57, NMSA 1978 whenever any warrant issued by the state, county, municipality, school district or special district is unpaid for one year after it becomes payable, the fiscal officer shall cancel it.

Cause: The bond issue was done under the supervision and custody of another entity and management did not acquire the information necessary to record transactions. Management has not monitored outstanding checks during monthly reconciliation of the bank statements the reconciliation is not being reviewed by person separate from the transaction and reconciliation processes.

Effect of condition: The District did not record all transactions that effect the District and was at risk of understating revenues and expenditures. The District is not following the state law and is not following good accounting practices related to cash reporting.

Recommendation: Management needs to ensure that all transactions that pertain to the District are recorded and reconciled, even when those transactions are controlled and overseen by another entity. We also recommend that the District adjust the internal control policies to ensure that bank reconciliations are completed, reviewed, and approved on a timely basis and thoroughly enough to ensure accurate reporting.

Management's response: All transactions that pertain to the district will be recorded and reconciled to the general ledger, even if the transactions are managed through another agency.

Responsible party(ies) for corrective action(s): Business Manager

Corrective action(s) timeline: Finding will be corrected immediately and steps to ensure compliance will take place during the monthly reconciliation process.

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, 2017

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### I. NOT RESOLVED

There were not any findings to be reported from the prior year.

### II. RESOLVED

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

**REQUIRED DISCLOSURE**  
YEAR ENDED JUNE 30, 2017

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The independent public accountants assisted in the preparation of the financial statements.

An exit conference was held October 31, 2017 and was attended by the following individuals:

CUBA INDEPENDENT SCHOOL DISTRICT NO. 62

Dianna Maestas	Member, Board of Education / Audit Committee
Adan Delgado	Superintendent; Member, Audit Committee
Rhiannon Chavez	Business Manager; Member, Audit Committee

ACCOUNTING & FINANCIAL SOLUTIONS, LLC

Terry Ogle, CPA	Partner
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