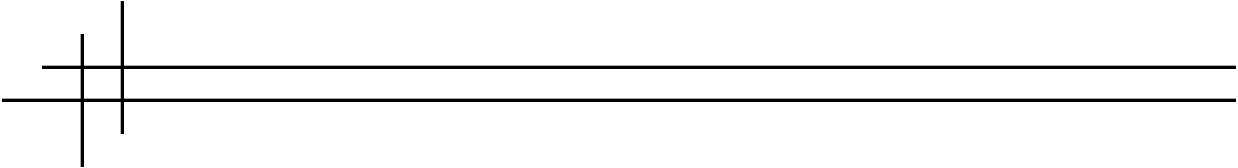


State of New Mexico
Dexter Consolidated Schools

Annual Financial Report
June 30, 2016

De'Aun Willoughby CPA, PC
Certified Public Accountant
Clovis, New Mexico



	<u>Page</u>
Official Roster.....	6
Independent Auditor's Report.....	7-9
Financial Section	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Position.....	11
Statement of Activities.....	12
Fund Financial Statements	
Government Funds - Balance Sheet.....	13-16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	18-21
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	22
Major Funds	
General Fund-Operational-11000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	23-25
General Fund-Transportation-13000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	26
General Fund-Instructional Materials-14000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	27
IDEA B, Entitlement-24106	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	28
K3 Plus-27166	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	29
Statement of Fiduciary Assets and Liabilities-Agency Funds	30
Notes to Financial Statements.....	31-48

Supplemental Information Related to Major Funds

Major Capital Projects Fund

Bond Building-31100

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis)	50
---	----

Senate Bill Nine-31700

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis)	51
---	----

Major Debt Service Fund

Debt Service-41000

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	52
--	----

Supplemental Information Related to Nonmajor Funds

Nonmajor Funds

Combining Balance Sheet.....	57-64
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	65-72

Food Service-21000

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	73
---	----

Athletics-22000

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	74
---	----

Title I-24101

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	75
---	----

Title I Migrant-24103

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	76
---	----

NM Autism Project-24108

Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget and Actual (Non-GAAP-Budgetary Basis)	77
---	----

IDEA Preschool-24109

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	78
--	----

IDEA B Risk Pool-24120

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	79
--	----

English Language Acquisition-24153

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	80
--	----

Improving Teacher Quality-24154

Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	81
--	----

	<u>Page</u>
Career & Technical Education-24182	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	82
USDA Equipment Assistance-24183	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	83
Medicaid-25153	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	84
Dual Credit Instructional Materials-27103	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	85
GO Student Library-27107	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	86
NM Reads to Lead-27114	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	87
Pre-K Initiative-27149	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	88
Breakfast for Elementary-27155	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	89
School Bus Replacement-27178	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	90
New Mexico Grown Fresh Fruit & Vegetables-27183	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	91
Solar Farm-29135	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	92
<u>Nonmajor Capital Projects Funds</u>	
Ed Tech Equipment-31900	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis)	93
<u>Nonmajor Debt Service Funds</u>	
Deferred Sick Leave Fund-42000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	94
Ed Tech Debt Service-43000	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Non-GAAP-Budgetary Basis)	95

	<u>Page</u>
Required Supplemental Information	
Schedules of Required Supplementary Information for Pension Plan.....	97
Notes to Required Supplementary Information for Pension Plan.....	98
Other Supplemental Information	
<u>Activity</u>	
Schedule of Changes in Assets and Liabilities - Agency Funds	101-103
Cash Reconciliations-All Funds.....	104
Vendor Schedule	105
Federal Compliance	
Schedule of Expenditures of Federal Awards.....	107
Notes to the Schedule of Expenditures of Federal Awards.....	108
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	109-110
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	111-112
Schedule of Findings and Questioned Costs.....	113-118

State of New Mexico
Dexter Consolidated Schools
Official Roster
June 30, 2016

Board of Education

Orlando R Chavez	President
Bobby Vaughn	Vice-President
Dan Lathrop	Secretary
Amanda Bogle	Member
Mike Gomez	Member

School Officials

Lesa Dodd	Superintendent
Jeannie Harris	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Dexter Consolidated Schools

Mr. Keller and Members of the Board

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

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

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

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

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis which is required to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Title 2 U.S. CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* 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 schedules required by 2.2.2 NMAC are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and other schedules required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Vendor Schedule has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

De'Ann Willoughby CPA PC

Clovis, New Mexico
September 30, 2016

Financial Section

State of New Mexico
Dexter Consolidated Schools
Government-Wide Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 1,731,460
Taxes Receivable	89,661
Due from Grantor	452,539
Inventory	28,227
Restricted Cash	402,079
Total Current Assets	<u>2,703,966</u>
Noncurrent Assets	
Capital Assets	42,877,324
Less: Accumulated Depreciation	<u>(14,973,128)</u>
Total Noncurrent Assets	<u>27,904,196</u>
Total Assets	<u>30,608,162</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	
Changes of Assumptions	469,681
Changes in Proportion	576,208
Contributions Subsequent to Measurement Date	833,214
Total Deferred Outflows of Resources	<u>1,879,103</u>
Liabilities	
Current Liabilities	
Accounts Payable	39,483
Accrued Salaries and Benefits	70,413
Accrued Interest	44,076
Compensated Absences	57,964
Current Portion of Long-Term Debt	745,000
Total Current Liabilities	<u>956,936</u>
Noncurrent Liabilities	
Bonds	2,885,000
Pension Liability	13,655,373
Total Noncurrent Liabilities	<u>16,540,373</u>
Total Liabilities	<u>17,497,309</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	
Actuarial Experience	253,158
Investment Experience	61,467
Total Deferred Inflows of Resources	<u>314,625</u>
Net Position	
Invested in Net Capital Assets	24,274,196
Restricted for:	
Capital Projects	741,201
Debt Service	873,051
Unrestricted	<u>(11,213,117)</u>
Total Net Position	<u>\$ 14,675,331</u>

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

State of New Mexico
Dexter Consolidated Schools
Government-Wide Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 7,088,159	\$ 36,111	\$ 665,606	\$ 0	\$ (6,386,442)
Support Services					
Students	1,009,872	76,603	100,589	0	(832,680)
Instruction	229,016	0	20,879	0	(208,137)
General Administration	274,986	0	2,913	0	(272,073)
School Administration	721,263	0	116,391	0	(604,872)
Central Services	634,797	0	56,687	0	(578,110)
Operation of Plant	1,511,768	0	0		(1,511,768)
Student Transportation	511,238	0	546,699		35,461
Other	18,986	0	0	0	(18,986)
Food Services	871,527	97,358	693,816	0	(80,353)
Interest Expense	108,834	0	0	0	(108,834)
Total Governmental Activities	\$ 12,980,446	\$ 210,072	\$ 2,203,580	\$ 0	\$ (10,566,794)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					
30,090					
Property Taxes, Levied for Capital Projects					
146,551					
Property Taxes, Levied for Debt Service					
808,695					
Federal and State aid not restricted to specific purpose					
General					
8,097,544					
Capital					
109,364					
Interest and investment earnings					
1,295					
Miscellaneous					
108,611					
Subtotal, General Revenues					
<u>9,302,150</u>					
Change in Net Position					
(1,264,644)					
Net Position - Beginning					
<u>15,939,975</u>					
Net Position - Ending					
<u>\$ 14,675,331</u>					

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

State of New Mexico
Dexter Consolidated Schools
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Assets			
Cash and Cash Equivalents	\$ 306,018	\$ 22,569	\$ 98,984
Receivables			
Taxes	5,593	0	0
Due From Grantor	0	0	0
Interfund Balance	456,030	0	0
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 767,641</u>	<u>\$ 22,569</u>	<u>\$ 98,984</u>
Liabilities			
Accounts Payable	\$ 10,293	\$ 3,166	\$ 1,362
Accrued Salaries and Benefits	57,715	7,444	0
Accrued Compensated Absences	713	0	0
Interfund Balances	0	0	0
Total Liabilities	<u>68,721</u>	<u>10,610</u>	<u>1,362</u>
Deferred Inflows of Resources			
Unavailable Revenue	4,471	0	0
Total Deferred Inflows of Resources	<u>4,471</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	694,449	11,959	97,622
Total Fund Balances	<u>694,449</u>	<u>11,959</u>	<u>97,622</u>
 Total Liabilities, Deferred Inflows and Fund Balances	 <u>\$ 767,641</u>	 <u>\$ 22,569</u>	 <u>\$ 98,984</u>

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

State of New Mexico
Dexter Consolidated Schools
Governmental Funds
Balance Sheet
June 30, 2016

	Special Revenue		Capital Projects
	IDEA B Entitlement 24106	K3 Plus 27166	Bond Building 31000
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 289,561
Receivables			
Taxes	0	0	0
Due From Grantor	89,046	66,607	0
Interfund Balance	0	0	0
Inventory	0	0	0
Restricted Cash	0	0	402,079
Total Assets	\$ 89,046	\$ 66,607	\$ 691,640
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	337	246	0
Accrued Compensated Absences	0	0	0
Interfund Balances	88,709	66,361	0
Total Liabilities	89,046	66,607	0
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	691,640
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	0	0	691,640
Total Liabilities, Deferred Inflows and Fund Balances	\$ 89,046	\$ 66,607	\$ 691,640

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

State of New Mexico
Dexter Consolidated Schools
Governmental Funds
Balance Sheet
June 30, 2016

	<u>Capital Projects</u>		
	<u>Senate Bill Nine 31700</u>	<u>Debt Service 41000</u>	<u>Other Governmental Funds</u>
Assets			
Cash and Cash Equivalents	\$ 0	\$ 650,826	\$ 363,502
Receivables			
Taxes	13,147	60,225	10,696
Due From Grantor	109,364	0	187,522
Interfund Balance	0	0	0
Inventory	0	0	28,227
Restricted Cash	0	0	0
Total Assets	<u>\$ 122,511</u>	<u>\$ 711,051</u>	<u>\$ 589,947</u>
Liabilities			
Accounts Payable	\$ 20,936	\$ 0	\$ 3,726
Accrued Salaries and Benefits	0	0	4,671
Accrued Compensated Absences	0	0	0
Interfund Balances	109,486	0	191,474
Total Liabilities	<u>130,422</u>	<u>0</u>	<u>199,871</u>
Deferred Inflows of Resources			
Unavailable Revenue	7,545	35,432	4,952
Total Deferred Inflows of Resources	<u>7,545</u>	<u>35,432</u>	<u>4,952</u>
Fund Balances			
Nonspendable-Inventory	0	0	28,227
Restricted for:			
Special Revenue Funds	0	0	118,527
Capital Projects	0	0	49,561
Debt Service	0	675,619	197,432
Unassigned	(15,456)	0	(8,623)
Total Fund Balances	<u>(15,456)</u>	<u>675,619</u>	<u>385,124</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 122,511</u>	<u>\$ 711,051</u>	<u>\$ 589,947</u>

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

State of New Mexico
Dexter Consolidated Schools
 Governmental Funds
 Balance Sheet
 June 30, 2016

	Total Governmental Funds
	<u> </u>
Assets	
Cash and Cash Equivalents	\$ 1,731,460
Receivables	
Taxes	89,661
Due From Grantor	452,539
Interfund Balance	456,030
Inventory	28,227
Restricted Cash	402,079
Total Assets	<u>\$ 3,159,996</u>
Liabilities	
Accounts Payable	\$ 39,483
Accrued Salaries and Benefits	70,413
Accrued Compensated Absences	713
Interfund Balances	456,030
Total Liabilities	<u>566,639</u>
Deferred Inflows of Resources	
Unavailable Revenue	52,400
Total Deferred Inflows of Resources	<u>52,400</u>
Fund Balances	
Nonspendable-Inventory	28,227
Restricted for:	
Special Revenue Funds	118,527
Capital Projects	741,201
Debt Service	873,051
Unassigned	779,951
Total Fund Balances	<u>2,540,957</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 3,159,996</u>

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

State of New Mexico
Dexter Consolidated Schools
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2016

Total Fund Balance - Governmental Funds \$ 2,540,957

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

Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 52,400

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

Capital Assets	\$ 42,877,324	
Accumulated Depreciation	<u>(14,973,128)</u>	27,904,196

Deferred Outflows and Inflows Related to Pensions are the results of differences in expected and actual actuary experience and the difference in actuary projected and actual earnings. Also changes in proportion and differences between contributions and proportionate share of contributions.

Deferred Outflows Related to Pensions	1,879,103	
Deferred Inflows Related to Pensions	<u>(314,625)</u>	1,564,478

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

Bonds Payable	(3,630,000)	
Pension Liability	(13,655,373)	
Accrued Interest	(44,076)	
Compensated Absences	(57,964)	
Compensated Absences Balance Sheet	<u>713</u>	(17,386,700)

Total Net Position - Governmental Activities \$ 14,675,331

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

State of New Mexico
Dexter Consolidated Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2016

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Revenues			
Property Taxes	\$ 30,399	\$ 0	\$ 0
Interest Income	142	0	0
Fees	10,024	0	0
State & Local Grants	8,096,010	546,699	68,197
Federal Grants	1,534	0	0
Miscellaneous	108,611	0	0
Total Revenues	<u>8,246,720</u>	<u>546,699</u>	<u>68,197</u>
Expenditures			
Current			
Instruction	5,068,036	0	77,722
Support Services			
Students	808,871	0	0
Instruction	201,039	0	0
General Administration	223,008	0	0
School Administration	569,263	0	0
Central Services	542,062	0	0
Operation & Maintenance of Plant	1,169,482	0	0
Transportation	200	491,351	0
Other	18,986	0	0
Food Services	92,530	0	0
Capital Outlay	23,542	36,557	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>8,717,019</u>	<u>527,908</u>	<u>77,722</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(470,299)</u>	<u>18,791</u>	<u>(9,525)</u>
Other Financing Sources (Uses)			
Bond Issue	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(470,299)	18,791	(9,525)
Fund Balances at Beginning of Year	<u>1,164,748</u>	<u>(6,832)</u>	<u>107,147</u>
Fund Balance End of Year	<u>\$ 694,449</u>	<u>\$ 11,959</u>	<u>\$ 97,622</u>

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

State of New Mexico
Dexter Consolidated Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2016

	Special Revenue		Capital Projects
	IDEA B Entitlement 24106	K3 Plus 27166	Bond Building 31000
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	1,019
Fees	0	0	0
State & Local Grants	0	69,111	0
Federal Grants	269,514	0	0
Miscellaneous	0	0	0
Total Revenues	<u>269,514</u>	<u>69,111</u>	<u>1,019</u>
Expenditures			
Current			
Instruction	64,807	69,111	66,082
Support Services			
Students	92,910	0	0
Instruction	0	0	0
General Administration	0	0	31,010
School Administration	111,797	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	58,761
Transportation	0	0	0
Other	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	247,479
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>269,514</u>	<u>69,111</u>	<u>403,332</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(402,313)</u>
Other Financing Sources (Uses)			
Bond Issue	<u>0</u>	<u>0</u>	<u>800,000</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>800,000</u>
Net Change in Fund Balance	0	0	397,687
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>293,953</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 691,640</u>

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

State of New Mexico
Dexter Consolidated Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2016

	<u>Capital Projects</u>		
	<u>Senate Bill Nine 31700</u>	<u>Debt Service 41000</u>	<u>Other Governmental Funds</u>
Revenues			
Property Taxes	\$ 147,053	\$ 676,945	\$ 132,666
Interest Income	0	0	134
Fees	0	0	200,048
State & Local Grants	109,364	0	293,607
Federal Grants	0	0	956,452
Miscellaneous	0	0	0
Total Revenues	<u>256,417</u>	<u>676,945</u>	<u>1,582,907</u>
Expenditures			
Current			
Instruction	0	0	483,700
Support Services			
Students	0	0	77,900
Instruction	0	0	20,879
General Administration	1,287	5,980	4,080
School Administration	0	0	4,594
Central Services	0	0	58,258
Operation & Maintenance of Plant	249,428	0	0
Transportation	0	0	0
Other	0	0	0
Food Services	0	0	764,170
Capital Outlay	86,432	0	40,000
Debt Service			
Principal	0	595,000	125,000
Interest	0	104,780	4,885
Bond Issue Costs	0	0	0
Total Expenditures	<u>337,147</u>	<u>705,760</u>	<u>1,583,466</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(80,730)</u>	<u>(28,815)</u>	<u>(559)</u>
Other Financing Sources (Uses)			
Bond Issue	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(80,730)	(28,815)	(559)
Fund Balances at Beginning of Year	<u>65,274</u>	<u>704,434</u>	<u>385,683</u>
Fund Balance End of Year	<u>\$ (15,456)</u>	<u>\$ 675,619</u>	<u>\$ 385,124</u>

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

State of New Mexico
Dexter Consolidated Schools
 Governmental Funds
 Statement of Revenues, Expenditures and Changes
 in Fund Balance
 For the Year Ended June 30, 2016

	Total Governmental Funds
Revenues	
Property Taxes	\$ 987,063
Interest Income	1,295
Fees	210,072
State & Local Grants	9,182,988
Federal Grants	1,227,500
Miscellaneous	108,611
Total Revenues	<u>11,717,529</u>
Expenditures	
Current	
Instruction	5,829,458
Support Services	
Students	979,681
Instruction	221,918
General Administration	265,365
School Administration	685,654
Central Services	600,320
Operation & Maintenance of Plant	1,477,671
Transportation	491,551
Other	18,986
Food Services	856,700
Capital Outlay	434,010
Debt Service	
Principal	720,000
Interest	109,665
Bond Issue Costs	0
Total Expenditures	<u>12,690,979</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(973,450)</u>
Other Financing Sources (Uses)	
Bond Issue	<u>800,000</u>
Total Other Sources (Uses)	<u>800,000</u>
Net Change in Fund Balance	(173,450)
Fund Balances at Beginning of Year	<u>2,714,407</u>
Fund Balance End of Year	<u>\$ 2,540,957</u>

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

State of New Mexico
Dexter Consolidated Schools
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2016

Net Change in Fund Balance-Governmental Funds \$ (173,450)

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

Some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered "available" revenues in the governmental funds, and are instead reported as deferred revenues. They are however, recorded as revenues in the Statement of Activities.

Property Taxes, June 30, 2015	\$ (54,127)	
Property Taxes, June 30, 2016	52,400	(1,727)

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

Depreciation expense	(977,823)	
Capital Outlays	434,010	(543,813)

The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position. (800,000)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 720,000

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest, June 30, 2015	44,907	
Accrued Interest, June 30, 2016	(44,076)	831

Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated Absences, June 30, 2015	46,256	
Compensated Absences, June 30, 2016	(57,251)	(10,995)

Pension contributions are reported as expenses in the government funds but are deferred outflows in the Statement of Net Position. Pension expense is reported in the Statement of Activities but not in the governmental funds.

Pension Contributions	833,214	
Pension Expense	(1,288,704)	(455,490)

Changes in Net Position of Governmental Activities \$ (1,264,644)

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

State of New Mexico
Dexter Consolidated Schools
 General Fund-Operational-11000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 32,248	\$ 32,248	\$ 30,180	\$ (2,068)
Interest	150	150	142	(8)
Fees	16,500	16,500	10,024	(6,476)
State Grant	8,074,612	8,092,214	8,096,010	3,796
Federal Grant	0	1,534	1,534	0
Miscellaneous	151,561	151,561	108,611	(42,950)
Total Revenues	<u>8,275,071</u>	<u>8,294,207</u>	<u>8,246,501</u>	<u>(47,706)</u>
Expenditures				
Instruction				
Personnel Services	3,569,185	3,392,506	3,436,401	(43,895)
Employee Benefits	1,285,836	1,257,706	1,234,646	23,060
Professional & Tech Services	71,923	77,213	56,355	20,858
Purchased Property Services	37,583	41,124	41,124	0
Other Purchased Services	87,432	118,753	109,182	9,571
Supplies	184,519	227,177	153,213	73,964
Fixed Assets	70,710	96,923	23,542	73,381
Supply Assets	0	0	31,973	(31,973)
Total Instruction	<u>5,307,188</u>	<u>5,211,402</u>	<u>5,086,436</u>	<u>124,966</u>
Support Services				
Students				
Personnel Services	406,900	336,675	311,554	25,121
Employee Benefits	158,349	116,541	115,313	1,228
Professional & Tech Services	221,759	371,805	369,822	1,983
Purchased Property Services	1,178	2,528	2,527	1
Other Purchased Services	310	5,100	4,969	131
Supplies	1,000	5,700	4,689	1,011
Supply Assets	1,521	0	0	0
Total Students	<u>791,017</u>	<u>838,349</u>	<u>808,874</u>	<u>29,475</u>
Instruction				
Personnel Services	98,440	98,440	98,205	235
Employee Benefits	44,388	44,633	43,078	1,555
Professional & Tech Services	2,591	2,591	543	2,048
Purchased Property Services	6,008	6,008	234	5,774
Other Purchased Services	18,490	0	0	0
Supplies	68,215	62,476	58,671	3,805
Total Instruction	<u>\$ 238,132</u>	<u>\$ 214,148</u>	<u>\$ 200,731</u>	<u>\$ 13,417</u>

State of New Mexico

Dexter Consolidated Schools

General Fund-Operational-11000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
General Administration				
Personnel Services	\$ 137,713	\$ 137,713	\$ 132,276	\$ 5,437
Employee Benefits	37,870	38,081	37,010	1,071
Professional & Tech Services	48,400	53,400	23,351	30,049
Purchased Property Services	21,000	21,634	8,392	13,242
Other Purchased Services	16,700	19,708	11,636	8,072
Supplies	18,000	23,000	11,605	11,395
Total General Administration	<u>279,683</u>	<u>293,536</u>	<u>224,270</u>	<u>69,266</u>
School Administration				
Personnel Services	391,468	391,529	392,174	(645)
Employee Benefits	145,915	147,780	145,729	2,051
Professional & Tech Services	13,971	17,363	13,086	4,277
Purchased Property Services	26,469	26,469	9,446	17,023
Other Purchased Services	2,760	3,198	3,196	2
Supplies	0	1,931	1,930	1
Total School Administration	<u>580,583</u>	<u>588,270</u>	<u>565,561</u>	<u>22,709</u>
Central Services				
Personnel Services	327,358	319,998	329,651	(9,653)
Employee Benefits	117,751	118,158	117,517	641
Professional & Tech Services	9,307	16,817	16,816	1
Purchased Property Services	4,923	6,999	6,999	0
Other Purchased Services	20,558	20,558	11,769	8,789
Supplies	60,205	60,205	54,327	5,878
Supply Assets	0	1,500	626	874
Total Central Services	<u>540,102</u>	<u>544,235</u>	<u>537,705</u>	<u>6,530</u>
Operation of Plant				
Personnel Services	392,545	381,880	375,039	6,841
Employee Benefits	175,468	175,713	171,575	4,138
Professional & Tech Services	3,629	4,429	2,367	2,062
Purchased Property Services	950,380	951,198	315,244	635,954
Other Purchased Services	239,763	292,793	281,706	11,087
Supplies	27,361	27,503	21,307	6,196
Total Operation of Plant	<u>1,789,146</u>	<u>1,833,516</u>	<u>1,167,238</u>	<u>666,278</u>
Student Transportation				
Professional & Tech Services	0	200	200	0
Total Student Transportation	<u>\$ 0</u>	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 0</u>

State of New Mexico
Dexter Consolidated Schools
 General Fund-Operational-11000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Non-GAAP-Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Other Support Services				
Other	\$ 26,950	\$ 27,727	\$ 18,986	\$ 8,741
Total Other Support Services	<u>26,950</u>	<u>27,727</u>	<u>18,986</u>	<u>8,741</u>
Total Support Services	<u>4,245,613</u>	<u>4,339,981</u>	<u>3,523,565</u>	<u>816,416</u>
Food Service				
Personnel Services	86,232	86,232	26,646	59,586
Employee Benefits	17,770	35,754	9,762	25,992
Professional & Tech Services	2,200	2,200	0	2,200
Other Purchased Services	0	1,070	1,069	1
Supplies	110,063	110,063	52,236	57,827
Supply Assets	0	1,500	626	874
Total Food Service	<u>216,265</u>	<u>236,819</u>	<u>90,339</u>	<u>146,480</u>
Total Expenditures	<u>9,769,066</u>	<u>9,788,202</u>	<u>8,700,340</u>	<u>1,087,862</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,493,995)	(1,493,995)	(453,839)	1,040,156
Cash Balance Beginning of Year	<u>1,215,887</u>	<u>1,215,887</u>	<u>1,215,887</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (278,108)</u></u>	<u><u>\$ (278,108)</u></u>	<u><u>\$ 762,048</u></u>	<u><u>\$ 1,040,156</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (453,839)	
Net Change in Taxes Receivable			(89)	
Net Change in Accounts Payable			(2,004)	
Net Change in Salaries and Benefits			(13,963)	
Net Change in Compensated Absences			(713)	
Net Change in Unavailable Revenue			309	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ (470,299)</u></u>	

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

State of New Mexico

Dexter Consolidated Schools

General Fund-Transportation-13000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 522,290	\$ 546,699	\$ 546,699	\$ 0
Total Revenues	<u>522,290</u>	<u>546,699</u>	<u>546,699</u>	<u>0</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	253,030	254,409	257,165	(2,756)
Employee Benefits	95,507	114,280	115,316	(1,036)
Professional & Tech Services	3,500	3,519	3,518	1
Purchased Property Services	53,450	45,413	28,875	16,538
Other Purchased Services	25,800	28,021	23,848	4,173
Supplies	86,003	59,410	53,763	5,647
Fixed Assets	5,000	41,647	36,557	5,090
Supply Assets	0	0	5,088	(5,088)
Total Student Transportation	<u>522,290</u>	<u>546,699</u>	<u>524,130</u>	<u>22,569</u>
Total Support Services	<u>522,290</u>	<u>546,699</u>	<u>524,130</u>	<u>22,569</u>
Total Expenditures	<u>522,290</u>	<u>546,699</u>	<u>524,130</u>	<u>22,569</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	22,569	22,569
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,569</u>	<u>\$ 22,569</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 22,569	
Net Change in Accounts Payable			(1,600)	
Net Change in Salaries and Benefits			(2,178)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 18,791</u>	

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

State of New Mexico

Dexter Consolidated Schools

General Fund-Instructional Materials-14000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 53,783	\$ 68,196	\$ 68,197	\$ 1
Total Revenues	<u>53,783</u>	<u>68,196</u>	<u>68,197</u>	<u>1</u>
Expenditures				
Instruction				
Supplies	161,081	175,494	76,360	99,134
Total Instruction	<u>161,081</u>	<u>175,494</u>	<u>76,360</u>	<u>99,134</u>
Total Expenditures	<u>161,081</u>	<u>175,494</u>	<u>76,360</u>	<u>99,134</u>
Excess (Deficiency) of Revenues Over Expenditures	(107,298)	(107,298)	(8,163)	99,135
Cash Balance Beginning of Year	<u>107,147</u>	<u>107,147</u>	<u>107,147</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(151)</u>	\$ <u>(151)</u>	\$ <u>98,984</u>	\$ <u>99,135</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,163)	
Net Change in Accounts Payable			<u>(1,362)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(9,525)</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-IDEA B Entitlement-24106

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 263,764	\$ 325,505	\$ 187,766	\$ (137,739)
Total Revenues	<u>263,764</u>	<u>325,505</u>	<u>187,766</u>	<u>(137,739)</u>
Expenditures				
Instruction				
Personnel Services	20,841	28,649	22,747	5,902
Employee Benefits	13,537	13,654	11,941	1,713
Professional & Tech Services	0	8,822	1,227	7,595
Other Purchased Services	0	35,126	25,425	9,701
Supplies	0	0	3,956	(3,956)
Total Instruction	<u>34,378</u>	<u>86,251</u>	<u>65,296</u>	<u>20,955</u>
Support Services				
Students				
Personnel Services	43,603	43,603	42,757	846
Employee Benefits	10,172	10,172	9,914	258
Professional & Tech Services	0	6,931	1,645	5,286
Other Purchased Services	36,002	38,594	38,594	0
Total Students	<u>89,777</u>	<u>99,300</u>	<u>92,910</u>	<u>6,390</u>
School Administration				
Personnel Services	83,258	83,603	82,460	1,143
Employee Benefits	31,547	31,547	28,743	2,804
Professional & Tech Services	2,000	2,000	0	2,000
Supply Assets	16,331	16,331	593	15,738
Total School Administration	<u>133,136</u>	<u>133,481</u>	<u>111,796</u>	<u>21,685</u>
Total Support Services	<u>222,913</u>	<u>232,781</u>	<u>204,706</u>	<u>28,075</u>
Total Expenditures	<u>257,291</u>	<u>319,032</u>	<u>270,002</u>	<u>49,030</u>
Excess (Deficiency) of Revenues Over Expenditures	6,473	6,473	(82,236)	(88,709)
Cash Balance Beginning of Year	<u>(6,473)</u>	<u>(6,473)</u>	<u>(6,473)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (88,709)</u>	<u>\$ (88,709)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (82,236)	
Net Change in Due from Grantor			81,747	
Net Change in Salaries and Benefits			489	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-K3 Plus-27166

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 137,798	\$ 208,584	\$ 126,156	\$ (82,428)
Total Revenues	<u>137,798</u>	<u>208,584</u>	<u>126,156</u>	<u>(82,428)</u>
Expenditures				
Instruction				
Personnel Services	33,000	75,839	75,839	0
Employee Benefits	8,550	28,749	17,603	11,146
Other Purchased Services	0	5,486	1,883	3,603
Supply	0	2,262	944	1,318
Total Instruction	<u>41,550</u>	<u>112,336</u>	<u>96,269</u>	<u>16,067</u>
Total Expenditures	<u>41,550</u>	<u>112,336</u>	<u>96,269</u>	<u>16,067</u>
Excess (Deficiency) of Revenues Over Expenditures	96,248	96,248	29,887	(66,361)
Cash Balance Beginning of Year	<u>(96,248)</u>	<u>(96,248)</u>	<u>(96,248)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (66,361)</u>	<u>\$ (66,361)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 29,887	
Net Change in Due from Grantor			(57,045)	
Net Change in Salaries and Benefits			27,158	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Dexter Consolidated Schools
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2016

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 350,692
Total Assets	<u>\$ 350,692</u>
Liabilities	
Deposits Held for Others	\$ 350,692
Total Liabilities	<u>\$ 350,692</u>

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

Summary of Significant Accounting Policies

The financial statements of the Dexter Consolidated Schools (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

The District has been in existence since the early nineteen hundreds, and is currently operating under the provisions of the Public School District Code, Chapter 22, of the New Mexico Statutes Annotated, 1978 Compilation. The District operates with a local board of education - superintendent form of government and provides a supervised program of instruction designed to educate students at the elementary and secondary level.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 14, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges and issue bonded debt.

The District has no component units, defined by GASB Statement No. 14 as other legally separate organizations for which the elected District members are financially accountable. There are no other primary governments with which the School Board Members are financially accountable. There are no other primary governments with which the District has a significant relationship.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The funds of the District are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follows below:

Governmental Funds

Governmental funds are used to account for the District's general government activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets and the servicing of general long-term debt.

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities by the District.

Debt Service Fund - The Debt Service Fund is used to account for the resources for, and the payment of, principal, interest and related costs.

Fiduciary Fund Type

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

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Major Funds

The District reports the following major governmental funds:

General Fund (11000)(13000)(14000)

The General Fund consist of three sub funds. The first is the operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

IDEA B Entitlement (24106). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Pre K Plus (27166). To account for revenues and expenditures from a state grant provided for the running of the Pre K program.. The fund was created by state grant provisions.

Bond Building (31100). The revenues are derived from a School Building Bond Issue. The expenditures are restricted to major capital improvements.

Senate Bill Nine (31700). The revenues are derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements.

Debt Service Fund (41000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values. Expenditures are restricted to debt reduction.

Measurement Focus and Basis of Accounting
Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

In the Government-Wide Statement of Net Position, the governmental activities columns (a) are presented on a consolidated basis by column, (b) and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - invested in net capital assets, restricted net position and unrestricted net position.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflow of resources, liabilities and deferred inflow of resources resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others., and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

Grants. Government mandated nonexchange transaction and voluntary nonexchange transactions. Recipients should recognize revenues in the period when all applicable eligibility requirements have been met and the resources are available.

Revenue Recognition for Grants.

Eligibility requirements for government-mandated and voluntary nonexchange transaction comprise one or more of the following:

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.

4. Contingencies. The providers offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Other receipts. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (or any other types, such as capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds, etc.) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Basis of Budgeting

Formal budgetary integration is employed as a management control device during the year.

Budgets for the General, Special Revenue, Debt Service and Capital Projects Funds are adopted on a basis inconsistent with generally accepted accounting principles (GAAP). These budgets are prepared using the cash basis of accounting. Budgetary comparisons for the various funds in this report are on the non-GAAP budgetary basis.

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of Education) the local school board submits to the School Budget and Finance Analysis Unit (SBFAU) of the New Mexico Public Education Department an estimated budget for the District for the ensuing fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the New Mexico Public Education Department (PED) by the district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed "operating" budget will be reviewed and approved by the SBFAU and certified and approved by the local school board at the public hearing of which notice has been published by the local school board which fixed the estimated budget for the district for the ensuing fiscal year.
3. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAU and the local school board. The budget shall be integrated formally in to the accounting system. Encumbrances shall be used as an element for control and shall be integrated into the budget system.
4. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBFAU.
5. No school board or officer or employee of the District shall make any expenditures or incur any obligation for the expenditures of public funds unless such expenditure or contractual obligation is made in accordance with an operating budget approved by the division. But this does not prohibit the transfer of funds between line items within a series of a budget.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the *Manual of Procedures Public School Accounting and Budgeting*. Such changes are initiated by the District and approved by the SBFAU.

7. Legal budget control for expenditures is by function. Included in the 2000 function is sub-functions that can be over spent by function.
8. Appropriations lapse at fiscal year end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.

Cash and Cash Equivalents

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

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

(a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or

(b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.

(c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Food Service Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 (per Section 12-6-10 NMSA1978) and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Position

For the Government-Wide Statement of Net Position, net position is reported as restricted when constraints are placed on the use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available it will first be applied to restricted resources.

Fund Balances of Fund Financial Statements

Nonspendable fund balance indicates that portion of fund equity is not spendable such as inventory.

The restricted fund balance category includes amounts that can be spent only for specific purposes stipulated by constitution, external resources providers, or through enabling legislation.

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual amount that is not restricted or committed.

Interfund Transfers

In governmental funds, transfers should be reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance available. The District has recorded \$52,400 related to property taxes considered "unavailable."

Compensated Absences

The liability for compensated absences reported in the government-wide statements consist of unpaid sick leave balances. The liability has been calculated by a vesting method, in which leave amounts from both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon separation of employment are included. The plan is a deferred sick leave plan. The plan is funded from the fund that the employee is paid from. The funds are transferred to a deferred sick leave fund and the monies are invested until they are required to be paid out.

The District's recognition and measurement criteria for compensated absences follow:

GASB Statement No. 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both the following conditions are met:

- (a) The employees' right to receive compensation is attributable to services already rendered.
- (b) It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

Estimates

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

A. Deposits and Investments

The District is required by New Mexico State Statute (Section 6-10-17) to be 50% collateralized. Following is a schedule calculating the requirement and disclosing the pledged securities.

<u>Name of Account</u>	Balance Per Bank 6/30/16	Reconciled Balance	<u>Type</u>	
General Operations	\$ 2,088,739	\$ 1,629,183	Checking	Non-Interest
Athletic Funds	102,266	102,266	Checking	Interest
Activity Fund	360,163	350,692	Checking	Non-Interest
Total Deposited	<u>2,551,168</u>	<u>\$ 2,082,141</u>		
Less: FDIC Coverage	<u>(250,000)</u>			
Uninsured Amount	2,301,168			
50% collateral requirement	1,150,584			
Pledged securities	<u>1,446,994</u>			
Over (Under) requirement	<u>\$ 296,410</u>			

The following securities are pledged at Wells Fargo:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA FNRM	3138AXZK0	\$ 1,446,994	11/01/26	Mellon, NY
		<u>\$ 1,446,994</u>		

The difference between the bank balance and the reconciled balance is outstanding deposits, outstanding checks and pending bank adjustments.

Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	1,446,994
Uninsured and uncollateralized	854,174
Total Deposits	<u>\$ 2,551,168</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016 \$854,174 of the District's bank balance of \$2,551,168 was exposed to custodial credit risk.

State of New Mexico
Dexter Consolidated Schools
Notes to the Financial Statements
June 30, 2016

B. Receivables

Following is a schedule of property taxes receivable as of June 30, 2016:

	General 11000	Senate Bill Nine 31700	Debt Service 41000	Other Governmental
Property Taxes Receivable:				
Available	\$ 1,122	\$ 5,602	\$ 24,793	\$ 5,744
Unavailable	4,471	7,545	35,432	4,952
Total Property Taxes Receivable	<u>\$ 5,593</u>	<u>\$ 13,147</u>	<u>\$ 60,225</u>	<u>\$ 10,696</u>

Amounts due from other agencies and units of government were as follows as of June 30, 2016:

Federal Agencies	\$ 190,624
State Agencies	261,915
Total	<u>\$ 452,539</u>

C. Interfund Receivables, Payables and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Funds			
	IDEA B Entitlement 24106	K3 Plus 27166	Senate Bill Nine 31700	Other Governmental Funds
	General Fund	<u>\$ 88,709</u>	<u>\$ 66,361</u>	<u>\$ 109,486</u>

The above interfund balances resulted from reimbursement grants. The shortfalls were covered by the General Fund. All transactions will be repaid within one year.

D. Capital Assets

Capital Assets Balances and Activity for the Year Ended June 30, 2015, is as follows:

	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 67,557	\$ 0	\$ 0	\$ 67,557
Construction in Progress	0	0	0	0
Total Capital Assets not being Depreciated	<u>67,557</u>	<u>0</u>	<u>0</u>	<u>67,557</u>
Capital Assets, being Depreciated				
Buildings & Improvement	35,475,283	165,637	0	35,640,920
Equipment and Vehicles	6,900,474	268,373	0	7,168,847
Total Capital Assets being Depreciated	<u>41,040,879</u>	<u>434,010</u>	<u>0</u>	<u>42,809,767</u>
Total Capital Assets	<u>\$ 41,077,370</u>	<u>\$ 434,010</u>	<u>\$ 0</u>	<u>\$ 42,877,324</u>

State of New Mexico
Dexter Consolidated Schools
Notes to the Financial Statements
June 30, 2016

Less Accumulated Depreciation

Buildings & Improvements	\$ 9,277,892	\$ 721,402	\$ 0	\$ 9,999,294
Equipment and Vehicles	4,717,407	256,427	0	4,973,834
Total Accumulated Depreciation	<u>12,107,380</u>	<u>977,829</u>	<u>0</u>	<u>14,973,128</u>
Capital Assets, net	\$ <u>28,969,990</u>	\$ <u>(543,819)</u>	\$ <u>0</u>	\$ <u>27,904,196</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 977,829
Total Depreciation Expenses:	<u>\$ 977,829</u>

E. Long-Term Liabilities and Other Liabilities

A summary of activity in the Long-Term Debt is as follows:

	Balance 6/30/15	Additions	Reductions	Balance 6/30/16	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 3,550,000	\$ 800,000	\$ 720,000	\$ 3,630,000	\$ 745,000
Total Bonds	<u>\$ 3,550,000</u>	<u>\$ 800,000</u>	<u>\$ 720,000</u>	<u>\$ 3,630,000</u>	<u>\$ 745,000</u>
Other Liabilities					
Compensated					
Absences	\$ 46,256	\$ 47,530	\$ 35,822	\$ 57,964	\$ 57,964
Total Other Liabilities	<u>\$ 46,256</u>	<u>\$ 47,530</u>	<u>\$ 35,822</u>	<u>\$ 57,964</u>	<u>\$ 57,964</u>

Payments on the general obligation bonds are made by the Debt Service Funds. The compensated absences liability will ultimately be liquidated by several of the District's governmental funds, with most being paid by the General Fund.

General Obligation Bonds.

The bonds and bond interest for all bond issues are to be paid from property taxes levied and acquired from the Debt Service Fund. The School District is in compliance with the provisions of all the bond resolutions. All issued bonds were for the purpose of erecting new buildings or remodeling and making additions to existing school buildings. Interest rates are from 1% to 7% and maturities are from 8/1/2012 to 8/1/2027.

Series	Original Amount	Balance
NMFA-04	\$ 420,000	\$ 95,000
Series 2008	1,300,000	920,000
NMFA-08	700,000	345,000
NMFA-09	1,530,000	475,000
NMFA-10	425,000	350,000
NMFA-11	450,000	220,000
NMFA-12	425,000	280,000
NMFA-13	550,000	305,000
NMFA-14	500,000	340,000
NMFA-15	300,000	300,000
		<u>\$ 3,630,000</u>

The annual requirements to amortize the general obligation bonds as of June 30, 2015, including interest payments are as follows:

	Principal	Interest	Total
2017	\$ 745,000	\$ 99,948	\$ 844,948
2018	555,000	86,660	641,660
2019	385,000	73,738	458,738
2020	360,000	61,329	421,329
2021	430,000	47,050	477,050
2022-2026	1,085,000	72,245	1,157,245
2027	70,000	1,248	71,248
	<u>\$ 3,630,000</u>	<u>\$ 442,218</u>	<u>\$ 4,072,218</u>

F. Commitments

The District is in the process of completing construction projects district wide.

G. Retirement Plan

Summary of Significant Accounting Policies

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 Educational Retirement Board (ERB) and additions to/deductions from ERB's fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at www.nmerb.org.

Benefits provided. A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or any other consecutive five-year period, whichever is greater. A brief summary of Plan coverage provisions follows:

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum 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.

Contributions. The contribution requirements of defined benefit plan members and the REC are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$578,776 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$13,655,373 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District proportion was 0.21082 percent, which was a increase of 0.01566 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$1,288,704. At the June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 253,158
Changes of assumptions	469,681	0
Net difference between projected and actual earnings on pension plan investments	0	61,467
Changes in proportion and differences between District contributions and proportionate share of contributions	576,208	0
District's contributions subsequent to the measurement date	833,214	0
Total	<u>\$ 1,879,103</u>	<u>\$ 314,625</u>

\$833,214 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ 219,486
2017	208,801
2018	113,315
2019	189,663
Total	<u>\$ 731,265</u>

Actuarial assumptions. As described above, the total ERB pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

All members with annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter,

Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67,

COLAs for most retirees are reduced until NMERB attains a 100% funded status,

These assumptions were adopted by the Board on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014, and

For 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 contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

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 objections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.).

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption: Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the REC'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%)

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The District's proportionate share of the net pension liability	\$ 18,374,216	\$ 13,655,373	\$ 9,691,053

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

Payables to the pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASB Statement 68, paragraphs 122 and 124.

**H. Retiree Health Care
Plan Description**

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which 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 the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

The 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, 2015, 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, 2015, 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, 2014, 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 is not a member of the enhanced retirement plan.

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$120,123, \$119,815, and \$112,820 respectively, which equal the required contributions for each year.

I. Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

Reconciliations are located at the bottom of each budget actual.

J. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Workers Compensation
- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

The officials and certain employees of the District are covered by a surety bond as required by Section 12-6-7, NMSA, 1978 Compilation.

K. Joint Powers Agreements

The District is a member of a joint powers agreement with the Pecos Valley Regional Education Center No. 8 (PVREC). The joint powers agreement includes Loving, Hagerman, Dexter, and Lake Arthur school districts. The purpose of the agreement is to form an organization to establish and maintain cooperative programs of various federal and state grants.

The financial statements were prepared by another IPA. The audit report is available at the PVREC located in Artesia, New Mexico.

The Dexter Consolidated Schools is a member of a joint powers agreement with ten other school districts in the Southeastern New Mexico Education Resources Center (SNMERC). Pecos Valley Regional Center Cooperative is the fiscal agent for this group.

The District is a member of the Cooperative Educational Services. The joint powers agreement was entered into July 1, 1984. The purpose of the agreement is to pool efforts in order to bring additional, necessary educational services to their respective school districts at an affordable cost. The term of the agreement shall continue until it is rescinded or terminated by a majority vote of the participating School Districts.

L. Contingent Liabilities

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

M. Subsequent Events

Subsequent events were evaluated through September 30, 2016, which is the date the financial statements were available to be issued.

N. Deficit Fund Balance

Senate Bill Nine 31700 had a deficit fund balance of \$(15,456) and Food Service 21000 of \$(8,623).

**Supplemental Information Related to
Major Funds**

State of New Mexico

Dexter Consolidated Schools

Capital Projects Fund-Bond Building-31100

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Bond Proceeds	\$ 800,000	\$ 800,000	\$ 800,000	\$ 0
Interest Income	0	0	1,019	1,019
Total Revenues	<u>800,000</u>	<u>800,000</u>	<u>801,019</u>	<u>1,019</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	250,000	250,000	89,771	160,229
Purchased Property Services	20,000	598,939	92,770	506,169
Supplies	25,000	25,000	900	24,100
Land Improvements	0	0	31,761	(31,761)
Fixed Assets	274,192	274,192	122,948	151,244
Supply Assets	0	0	65,182	(65,182)
Total Capital Outlay	<u>569,192</u>	<u>1,148,131</u>	<u>403,332</u>	<u>744,799</u>
Total Expenditures	<u>569,192</u>	<u>1,148,131</u>	<u>403,332</u>	<u>744,799</u>
Excess (Deficiency) of Revenues Over Expenditures	230,808	(348,131)	397,687	745,818
Cash Balance Beginning of Year	<u>293,953</u>	<u>293,953</u>	<u>293,953</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 524,761</u>	<u>\$ (54,178)</u>	<u>\$ 691,640</u>	<u>\$ 745,818</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 397,687</u>	
Net Change in Fund Balance			<u>\$ 397,687</u>	

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

State of New Mexico

Dexter Consolidated Schools

Capital Projects Fund-Senate Bill Nine-31700

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 38,908	\$ 38,908	\$ 145,780	\$ 106,872
State Grant	0	469,338	290,880	(178,458)
Total Revenues	<u>38,908</u>	<u>508,246</u>	<u>436,660</u>	<u>(71,586)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	1,200	1,300	1,287	13
Total General Administration	<u>1,200</u>	<u>1,300</u>	<u>1,287</u>	<u>13</u>
Total Support Services	<u>1,200</u>	<u>1,300</u>	<u>1,287</u>	<u>13</u>
Capital Outlay				
Purchased Property Services	40,000	690,780	155,795	534,985
Supplies	82,894	119,352	88,166	31,186
Fixed Assets	50,800	192,800	86,432	106,368
Supply Assets	0	0	1,199	(1,199)
Total Capital Outlay	<u>173,694</u>	<u>1,002,932</u>	<u>331,592</u>	<u>671,340</u>
Total Expenditures	<u>174,894</u>	<u>1,004,232</u>	<u>332,879</u>	<u>671,353</u>
Excess (Deficiency) of Revenues Over Expenditures	(135,986)	(495,986)	103,781	599,767
Cash Balance Beginning of Year	<u>(213,267)</u>	<u>(213,267)</u>	<u>(213,267)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (349,253)</u>	<u>\$ (709,253)</u>	<u>\$ (109,486)</u>	<u>\$ 599,767</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 103,781	
Net Change in Taxes Receivable			770	
Net Change in Due from Grantor			(181,516)	
Net Change in Accounts Payable			(4,268)	
Net Change in Unavailable Revenue			503	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (80,730)</u>	

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

State of New Mexico

Dexter Consolidated Schools

Debt Service-41000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 698,767	\$ 698,767	\$ 671,141	\$ (27,626)
Total Revenues	<u>698,767</u>	<u>698,767</u>	<u>671,141</u>	<u>(27,626)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	6,359	6,359	5,982	377
Total General Administration	<u>6,359</u>	<u>6,359</u>	<u>5,982</u>	<u>377</u>
Total Support Services	<u>6,359</u>	<u>6,359</u>	<u>5,982</u>	<u>377</u>
Debt Service				
Principal	595,000	595,000	595,000	0
Interest	104,780	104,780	104,780	0
Total Debt Service	<u>699,780</u>	<u>699,780</u>	<u>699,780</u>	<u>0</u>
Total Expenditures	<u>706,139</u>	<u>706,139</u>	<u>705,762</u>	<u>377</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,372)	(7,372)	(34,621)	(27,249)
Cash Balance Beginning of Year	<u>685,447</u>	<u>685,447</u>	<u>685,447</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 678,075</u>	<u>\$ 678,075</u>	<u>\$ 650,826</u>	<u>\$ (27,249)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (34,621)	
Net Change in Taxes Receivable			5,001	
Net Change in Unavailable Revenue			805	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (28,815)</u>	

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

**Supplemental Information Related to
Nonmajor Funds**

Food Services (21000). To account for revenue and expenditures associated with the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements. Authority for creation of this fund is NMSA 22-13-13.

Athletics (22000). To account for revenue and expenditures associated with the District's budgeted athletic activities. (NMAC 6.20.2).

Title I (24101) To account for revenues and expenditures for a collaborative consortium of education, health, culture enrichment and social support system in rural communities. The fund was created by grant provisions.

Title I Migrant (24103). To account for a program funded by a federal grant whose purpose is to implement school wide bilingual education programs of special alternative instruction programs to improve, reform and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency in local educational agencies with significant concentrations of such children and youth. The fund was created by the authority of federal grant provisions. (Title VII, Section 7115 of the ESEA (20USC 7425)).

Autism Spectrum Disorder Project (24108). To account for revenue and expenditures for assistance with an autism student. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

IDEA B Risk Pool (24120). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

English Language Acquisition (24153). To account for revenues and expenditures received from a federal grant provided to develop school-wide programs for limited English proficient students that reform, restructure, and upgrade all relevant programs. The fund was created by the Elementary and Secondary Education Act of 1965, as amended, Title VII, Part A.

Improving Teacher Quality (24154). 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 student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Career and Tech Education (24182) To account for funds distributed by the U. S. Department of Education through the State Department of Education to provide services which impact school district vocational programs, educators, and students. This fund was created by the authority of the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998, Title I, Part B and C and Sections 115 and 116, and Workforce Investment Act, Section 503.

USDA Equipment Assistance (24183). To account for funds distributed by the U. S. Department of Agriculture to provide funds to purchase equipment needed for the preparation of meals for students. The fund was created by the authority of federal grant provisions.

Medicaid (25153). To account for a program providing school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. The fund was created by the authority of federal grant provisions. (Title XIX Social Security Act).

Dual Credit Instructional Materials (27103). To provide financial assistance to purchased instructional materials for the college classes offered to students who are taking them for dual credits. The fund was created by the authority of state grant provisions.

2012 GO Students Library (27107). To account for revenues and expenditures from a state grant to provide for public school and juvenile detention libraries. The funding made available to update and expand library collections in order to circulate and provide access of materials to students and teachers. Funding provided by the State of New Mexico.

NM Reads to Lead K-3 (27114). To account for revenue and expenditures received from a state grant for the purpose of improving skills of young students in the area of reading. The fund was created by the authority of state grant provisions.

Pre K Initiative (27149). To account for revenues and expenditures from a state grant provided for the running of the Pre K program.. The fund was created by state grant provisions.

Breakfast for Elementary Students (27155). To account for revenues and expenditures from a state grant for the purpose of providing a free breakfast to elementary students. The fund was created by state grant provisions.

School Bus Replacement (27178). To account for a state grant used to purchase a school bus. The fund was created by the authority of state grant provisions.

New Mexico Grown Fruits & Vegetables (27183). To account for a state grant to purchase only NM grown fruit and vegetables to be used in the Food Service program. The fund was created by grant provisions.

Solar Farm (29135). To account for revenue from the solar farm in lieu of property taxes. The fund was created by definition.

Ed Tech Equipment (31900). To account for proceeds received from the issuance of Educational Technology Notes to be used for the acquisition of education technology equipment for use in classrooms and library and media centers. Authority for the creation of this fund is NMSA 1978, 6-15A-1 through 6-15A-16.

Deferred Sick Leave Fund (42000). To account for the transfers from other funds. The expenditures are restricted to paying terminated employees their sick leave.

Ed Tech Debt Service (43000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
Assets			
Cash and Cash Equivalents	\$ 0	\$ 102,266	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	18,016	0	35,408
Inventory	28,227	0	0
Total Assets	\$ 46,243	\$ 102,266	\$ 35,408
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	4,671	0	0
Interfund Balances	21,968	0	35,408
Total Liabilities	26,639	0	35,408
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balance			
Nonspendable-Inventory	28,227	0	0
Restricted for:			
Special Revenue Funds	0	102,266	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	(8,623)	0	0
Total Fund Balance	19,604	102,266	0
Total Liabilities, Deferred Inflows and Fund Balance	\$ 46,243	\$ 102,266	\$ 35,408

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	Title I Migrant 24103	NM Autism Project 24108	IDEA Preschool 24109
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	8,102	851	3,838
Inventory	0	0	0
Total Assets	\$ 8,102	\$ 851	\$ 3,838
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	8,102	851	3,838
Total Liabilities	8,102	851	3,838
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balance	0	0	0
Total Liabilities, Deferred Inflows and Fund Balance	\$ 8,102	\$ 851	\$ 3,838

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	IDEA B Risk Pool 24120	English Language Acquisition 24153	Improving Teacher Quality 24154
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	20,450	6,737	8,176
Inventory	0	0	0
Total Assets	\$ 20,450	\$ 6,737	\$ 8,176
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	20,450	6,737	8,176
Total Liabilities	20,450	6,737	8,176
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balance	0	0	0
Total Liabilities, Deferred Inflows and Fund Balance	\$ 20,450	\$ 6,737	\$ 8,176

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	Career and Tech Education 24182	USDA Equipment Assistance 24183	Medicaid 25153
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 6,391
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,391</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	6,391
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>6,391</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,391</u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	Dual Credit Instructional Materials 27103	GO Student Library 27107	NM Reads to Lead 27114
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	989	19,943	23,976
Inventory	0	0	0
Total Assets	<u>\$ 989</u>	<u>\$ 19,943</u>	<u>\$ 23,976</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	989	19,943	23,976
Total Liabilities	<u>989</u>	<u>19,943</u>	<u>23,976</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 989</u>	<u>\$ 19,943</u>	<u>\$ 23,976</u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	Pre-K Initiative 27149	Breakfast for Elementary 27155	School Bus 27178
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	41,036	0	0
Inventory	0	0	0
Total Assets	<u>\$ 41,036</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balances	41,036	0	0
Total Liabilities	<u>41,036</u>	<u>0</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 41,036</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		Capital Projects
	NM Grown Fruit and Vegetables 27183	Solar Farm 29135	Ed Tech Equipment 31900
Assets			
Cash and Cash Equivalents	\$ 0	\$ 9,870	\$ 53,287
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 9,870</u>	<u>\$ 53,287</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 3,726
Accrued Salaries and Benefits	0	0	0
Interfund Balances	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>3,726</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	9,870	0
Capital Projects	0	0	49,561
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balance	<u>0</u>	<u>9,870</u>	<u>49,561</u>
Total Liabilities, Deferred Inflows and Fund Balance	<u>\$ 0</u>	<u>\$ 9,870</u>	<u>\$ 53,287</u>

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

State of New Mexico
Dexter Consolidated Schools
Nonmajor Funds
Combining Balance Sheet
June 30, 2016

	Debt Service		Total
	Deferred Sick Leave Fund 42000	Ed Tech Debt Service 43000	
Assets			
Cash and Cash Equivalents	\$ 59,394	\$ 132,294	\$ 363,502
Receivables			
Taxes	0	10,696	10,696
Due From Grantor	0	0	187,522
Inventory	0	0	28,227
Total Assets	\$ 59,394	\$ 142,990	\$ 589,947
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 3,726
Accrued Salaries and Benefits	0	0	4,671
Interfund Balances	0	0	191,474
Total Liabilities	0	0	199,871
Deferred Inflows of Resources			
Unavailable Revenue	0	4,952	4,952
Total Deferred Inflows of Resources	0	4,952	4,952
Fund Balance			
Nonspendable-Inventory	0	0	28,227
Restricted for:			
Special Revenue Funds	0	0	118,527
Capital Projects	0	0	49,561
Debt Service	59,394	138,038	197,432
Unassigned	0	0	(8,623)
Total Fund Balance	59,394	138,038	385,124
Total Liabilities, Deferred Inflows and Fund Balance	\$ 59,394	\$ 142,990	\$ 589,947

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	97,358	26,087	0
State & Local Grants	0	0	0
Federal Grants	660,953	0	172,840
Total Revenues	<u>758,311</u>	<u>26,087</u>	<u>172,840</u>
Expenditures			
Current			
Instruction	0	0	123,121
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	2,629
School Administration	0	0	2,287
Central Services	0	0	44,803
Operation & Maintenance of Plant	0	0	0
Food Service	731,307	0	0
Capital Outlay	0	40,000	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>731,307</u>	<u>40,000</u>	<u>172,840</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>27,004</u>	<u>(13,913)</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	27,004	(13,913)	0
Fund Balance Beginning of Year	<u>(7,400)</u>	<u>116,179</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 19,604</u>	<u>\$ 102,266</u>	<u>\$ 0</u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	Title I Migrant 24103	NM Autism Project 24108	IDEA Preschool 24109
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	36,236	6,653	9,351
Total Revenues	<u>36,236</u>	<u>6,653</u>	<u>9,351</u>
Expenditures			
Current			
Instruction	24,128	6,552	1,773
Support Services			
Students	0	101	7,578
Instruction	0	0	0
General Administration	0	0	0
School Administration	224	0	0
Central Services	11,884	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>36,236</u>	<u>6,653</u>	<u>9,351</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	IDEA B Risk Pool 24120	English Language Acquisition 24153	Improving Teacher Quality 24154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	20,449	14,056	29,925
Total Revenues	20,449	14,056	29,925
Expenditures			
Current			
Instruction	20,449	13,118	29,925
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	284	0
School Administration	0	654	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	20,449	14,056	29,925
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Other Financing Sources (Uses)			
Transfer In/(Out)	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	0	0	0
Fund Balance End of Year	\$ 0	\$ 0	\$ 0

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	Career and Tech Education 24182	USDA Equipment Assistance 24183	Medicaid 25153
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees		0	76,603
State & Local Grants	0	0	0
Federal Grants	5,989	0	0
Total Revenues	5,989	0	76,603
Expenditures			
Current			
Instruction	4,560	0	0
Support Services			
Students	0	0	70,221
Instruction	0	0	0
General Administration	0	0	0
School Administration	1,429	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	5,989	0	70,221
Excess (Deficiency) of Revenues Over Expenditures	0	0	6,382
Other Financing Sources (Uses)			
Transfer In/(Out)	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	6,382
Fund Balance Beginning of Year	0	0	9
Fund Balance End of Year	\$ 0	\$ 0	\$ 6,391

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	Dual Credit Instructional Materials 27103	GO Student Library 27107	NM Reads to Lead 27114
	<u>27103</u>	<u>27107</u>	<u>27114</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	3,729	20,879	97,500
Federal Grants	0	0	0
Total Revenues	<u>3,729</u>	<u>20,879</u>	<u>97,500</u>
Expenditures			
Current			
Instruction	3,729	0	97,500
Support Services			
Students	0	0	0
Instruction	0	20,879	0
General Administration	0	0	0
School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>3,729</u>	<u>20,879</u>	<u>97,500</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer In/(Out)	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	Pre-K Initiative 27149	Breakfast for Elementary 27155	School Bus 27178
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	133,701	31,818	0
Federal Grants	0	0	0
Total Revenues	133,701	31,818	0
Expenditures			
Current			
Instruction	133,701	0	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	0	31,818	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	133,701	31,818	0
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Other Financing Sources (Uses)			
Transfer In/(Out)	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	0	0	0
Fund Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		Capital Projects
	NM Grown Fruit and Vegetables 27183	Solar Farm 29135	Ed Tech Equipment 31900
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	1,045	4,935	0
Federal Grants	0	0	0
Total Revenues	<u>1,045</u>	<u>4,935</u>	<u>0</u>
Expenditures			
Current			
Instruction	0	0	25,144
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Central Services	0	0	0
Operation & Maintenance of Plant	0	0	0
Food Service	1,045	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Bond Issue Costs	0	0	0
Total Expenditures	<u>1,045</u>	<u>0</u>	<u>25,144</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>4,935</u>	<u>(25,144)</u>
Other Financing Sources (Uses)			
Transfer In/(Out)	0	0	0
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	0	4,935	(25,144)
Fund Balance Beginning of Year	<u>0</u>	<u>4,935</u>	<u>74,705</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 9,870</u>	<u>\$ 49,561</u>

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

State of New Mexico
Dexter Consolidated Schools
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Debt Service		Total
	Deferred Sick Leave Fund 42000	Ed Tech Debt Service 43000	
Revenues			
Property Taxes	\$ 0	\$ 132,666	\$ 132,666
Interest Income	134	0	134
Fees	0	0	200,048
State & Local Grants	0	0	293,607
Federal Grants	0	0	956,452
Total Revenues	134	132,666	1,582,907
Expenditures			
Current			
Instruction	0	0	483,700
Support Services			
Students	0	0	77,900
Instruction	0	0	20,879
General Administration	0	1,167	4,080
School Administration	0	0	4,594
Central Services	1,571	0	58,258
Operation & Maintenance of Plant	0	0	0
Food Service	0	0	764,170
Capital Outlay	0	0	40,000
Debt Service			
Principal	0	125,000	125,000
Interest	0	4,885	4,885
Bond Issue Costs	0	0	0
Total Expenditures	1,571	131,052	1,583,466
Excess (Deficiency) of Revenues Over Expenditures	(1,437)	1,614	(559)
Other Financing Sources (Uses)			
Transfer In/(Out)	0	0	0
Total Other Sources (Uses)	0	0	0
Net Change in Fund Balance	(1,437)	1,614	(559)
Fund Balance Beginning of Year	60,831	136,424	385,683
Fund Balance End of Year	\$ 59,394	\$ 138,038	\$ 385,124

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Food Service-21000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 77,890	\$ 77,890	\$ 97,358	\$ 19,468
Federal Grant	620,000	620,000	613,544	(6,456)
Total Revenues	<u>697,890</u>	<u>697,890</u>	<u>710,902</u>	<u>13,012</u>
Expenditures				
Food Service				
Personnel Services	157,166	157,166	250,452	(93,286)
Employee Benefits	93,087	93,087	125,538	(32,451)
Professional & Tech Services	809	809	236	573
Other Purchased Services	11,263	11,263	6,165	5,098
Supplies	435,565	435,565	313,137	122,428
Total Food Service	<u>697,890</u>	<u>697,890</u>	<u>695,528</u>	<u>2,362</u>
Total Expenditures	<u>697,890</u>	<u>697,890</u>	<u>695,528</u>	<u>2,362</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	15,374	15,374
Cash Balance Beginning of Year	<u>(37,342)</u>	<u>(37,342)</u>	<u>(37,342)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (37,342)</u>	<u>\$ (37,342)</u>	<u>\$ (21,968)</u>	<u>\$ 15,374</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 15,374	
Net Change in Receivables			1,759	
Net Change in Inventory			8,314	
Net Change in Accounts Payable			40	
Net Change in Salaries and Benefits			1,517	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 27,004</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Athletics-22000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest Income	\$ 228	\$ 225	\$ 0	\$ (225)
Fees	18,272	18,272	26,087	7,815
Total Revenues	<u>18,500</u>	<u>18,497</u>	<u>26,087</u>	<u>7,590</u>
Expenditures				
Instruction				
Supplies	48,843	48,846	0	48,846
Fixed Assets	100,988	100,988	40,000	60,988
Supply Assets	0	0	0	0
Total Instruction	<u>149,831</u>	<u>149,834</u>	<u>40,000</u>	<u>109,834</u>
Total Expenditures	<u>149,831</u>	<u>149,834</u>	<u>40,000</u>	<u>109,834</u>
Excess (Deficiency) of Revenues Over Expenditures	(131,331)	(131,337)	(13,913)	117,424
Cash Balance Beginning of Year	<u>116,179</u>	<u>116,179</u>	<u>116,179</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (15,152)</u>	<u>\$ (15,158)</u>	<u>\$ 102,266</u>	<u>\$ 117,424</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (13,913)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (13,913)</u>	

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

State of New Mexico
Dexter Consolidated Schools
Special Revenue Fund-Title I-24101
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Non-GAAP-Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 264,816	\$ 257,031	\$ 215,724	\$ (41,307)
Total Revenues	<u>264,816</u>	<u>257,031</u>	<u>215,724</u>	<u>(41,307)</u>
Expenditures				
Instruction				
Personnel Services	85,648	89,853	87,064	2,789
Employee Benefits	35,499	35,735	34,452	1,283
Professional & Tech Services	8,000	4,255	4,254	1
Other Purchased Services	0	422	422	0
Supplies	2,995	1,874	1,874	0
Total Instruction	<u>132,142</u>	<u>132,139</u>	<u>128,066</u>	<u>4,073</u>
Support Services				
General Administration				
Professional & Tech Services	10,411	2,629	2,629	0
Total General Administration	<u>10,411</u>	<u>2,629</u>	<u>2,629</u>	<u>0</u>
School Administration				
Professional & Tech Services	4,013	4,013	2,287	1,726
Total School Administration	<u>4,013</u>	<u>4,013</u>	<u>2,287</u>	<u>1,726</u>
Central Services				
Personnel Services	32,918	32,545	31,547	998
Employee Benefits	11,985	8,926	7,818	1,108
Professional & Tech Services	0	3,284	363	2,921
Supplies	0	5,077	5,075	
Total Central Services	<u>44,903</u>	<u>49,832</u>	<u>44,803</u>	<u>5,027</u>
Total Support Services	<u>59,327</u>	<u>56,474</u>	<u>49,719</u>	<u>6,753</u>
Total Expenditures	<u>191,469</u>	<u>188,613</u>	<u>177,785</u>	<u>10,826</u>
Excess (Deficiency) of Revenues Over Expenditures	73,347	68,418	37,939	(30,479)
Cash Balance Beginning of Year	<u>(73,347)</u>	<u>(73,347)</u>	<u>(73,347)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ (4,929)</u>	<u>\$ (35,408)</u>	<u>\$ (30,479)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 37,939	
Net Change in Due from Grantor			(42,883)	
Net Change in Salaries and Benefits			4,944	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Title I Migrant-24103

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 42,585	\$ 42,585	\$ 34,482	\$ (8,103)
Total Revenues	<u>42,585</u>	<u>42,585</u>	<u>34,482</u>	<u>(8,103)</u>
Expenditures				
Instruction				
Personnel Services	18,397	14,015	14,015	0
Employee Benefits	6,867	10,172	10,173	(1)
Professional & Tech Services	0	371	370	1
Supplies	0	482	482	0
Total Instruction	<u>25,264</u>	<u>25,040</u>	<u>25,040</u>	<u>0</u>
Support Services				
School Administration				
Professional & Tech Services	0	224	224	0
Total School Administration	<u>0</u>	<u>224</u>	<u>224</u>	<u>0</u>
Central Services				
Personnel Services	9,447	9,049	9,049	0
Employee Benefits	2,438	2,408	2,406	2
Professional & Tech Services	0	428	429	(1)
Total Central Services	<u>11,885</u>	<u>11,885</u>	<u>11,884</u>	<u>1</u>
Total Support Services	<u>11,885</u>	<u>12,109</u>	<u>12,108</u>	<u>1</u>
Total Expenditures	<u>37,149</u>	<u>37,149</u>	<u>37,148</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	5,436	5,436	(2,666)	(8,102)
Cash Balance Beginning of Year	<u>(5,436)</u>	<u>(5,436)</u>	<u>(5,436)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,102)</u>	<u>\$ (8,102)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,666)	
Net Change in Due from Grantor			1,754	
Net Change in Salaries and Benefits			912	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-NM Autism Project-24108

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 2,678	\$ 10,128	\$ 8,480	\$ (1,648)
Total Revenues	<u>2,678</u>	<u>10,128</u>	<u>8,480</u>	<u>(1,648)</u>
Expenditures				
Instruction				
Professional & Tech Services	0	4,663	4,047	616
Supplies	0	1,654	1,654	0
Supply Assets	0	894	851	43
Total Instruction	<u>0</u>	<u>7,211</u>	<u>6,552</u>	<u>659</u>
Support Services				
Students				
Professional & Tech Services	0	239	101	138
Total Students	<u>0</u>	<u>239</u>	<u>101</u>	<u>138</u>
Total Expenditures	<u>0</u>	<u>7,450</u>	<u>6,653</u>	<u>659</u>
Excess (Deficiency) of Revenues Over Expenditures	2,678	2,678	1,827	(2,307)
Cash Balance Beginning of Year	<u>(2,678)</u>	<u>(2,678)</u>	<u>(2,678)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(851)</u>	\$ <u>(2,307)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,827	
Net Change in Due from Grantor			<u>(1,827)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-IDEA Preschool-24109

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 15,274	\$ 20,567	\$ 8,963	\$ (11,604)
Total Revenues	<u>15,274</u>	<u>20,567</u>	<u>8,963</u>	<u>(11,604)</u>
Expenditures				
Instruction				
Personnel Services	0	3,710	619	3,091
Employee Benefits	0	148	146	2
Professional & Tech Services	0	770	229	541
Other Purchased Services	389	389	0	389
Supplies	4,000	4,140	779	3,361
Total Instruction	<u>4,389</u>	<u>9,157</u>	<u>1,773</u>	<u>7,384</u>
Support Services				
Students				
Personnel Services	4,369	4,369	4,368	1
Employee Benefits	1,012	1,037	1,028	9
Other Purchased Services	1,889	1,889	1,888	1
Supplies	930	1,430	1,059	371
Total Support Services	<u>8,200</u>	<u>8,725</u>	<u>8,343</u>	<u>382</u>
Total Expenditures	<u>12,589</u>	<u>17,882</u>	<u>10,116</u>	<u>7,766</u>
Excess (Deficiency) of Revenues Over Expenditures	2,685	2,685	(1,153)	(19,370)
Cash Balance Beginning of Year	<u>(2,685)</u>	<u>(2,685)</u>	<u>(2,685)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,838)</u>	<u>\$ (19,370)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,153)	
Net Change in Due from Grantor			<u>1,153</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-IDEA B Risk Pool-24120

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 202	\$ 21,660	\$ 202	\$ (21,458)
Total Revenues	<u>202</u>	<u>21,660</u>	<u>202</u>	<u>(21,458)</u>
Expenditures				
Instruction				
Personnel Services	0	17,236	16,864	372
Employee Benefits	0	4,040	3,586	454
Supplies	<u>0</u>	<u>182</u>	<u>0</u>	<u>182</u>
Total Instruction	<u>0</u>	<u>21,458</u>	<u>20,450</u>	<u>1,008</u>
Total Expenditures	<u>0</u>	<u>21,458</u>	<u>20,450</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	202	202	(20,248)	(21,458)
Cash Balance Beginning of Year	<u>(202)</u>	<u>(202)</u>	<u>(202)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (20,450)</u>	<u>\$ (21,458)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (20,248)	
Net Change in Due from Grantor			<u>20,248</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-English Language Acquisition-24153

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 25,276	\$ 28,185	\$ 18,702	\$ (9,483)
Total Revenues	<u>25,276</u>	<u>28,185</u>	<u>18,702</u>	<u>(9,483)</u>
Expenditures				
Instruction				
Personnel Services	1,858	906	906	0
Employee Benefits	142	162	161	1
Professional & Tech Services	9,817	9,963	8,063	1,900
Other Purchased Services	0	0	0	0
Supplies	875	4,570	4,570	0
Total Instruction	<u>12,692</u>	<u>15,601</u>	<u>13,700</u>	<u>1,901</u>
Support Services				
General Administration				
Professional & Tech Services	284	284	284	0
Total General Administration	<u>284</u>	<u>284</u>	<u>284</u>	<u>0</u>
School Administration				
Professional & Tech Services	1,500	1,500	655	845
Total School Administration	<u>1,500</u>	<u>1,500</u>	<u>655</u>	<u>845</u>
Total Support Services	<u>1,784</u>	<u>1,784</u>	<u>939</u>	<u>845</u>
Total Expenditures	<u>14,476</u>	<u>17,385</u>	<u>14,639</u>	<u>2,746</u>
Excess (Deficiency) of Revenues Over Expenditures	10,800	10,800	4,063	(6,737)
Cash Balance Beginning of Year	<u>(10,800)</u>	<u>(10,800)</u>	<u>(10,800)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,737)</u>	<u>\$ (6,737)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,063	
Net Change in Receivables			(4,646)	
Net Change in Salaries and Benefits			583	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Improving Teacher Quality-24154

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 37,482	\$ 39,302	\$ 31,125	\$ (8,177)
Total Revenues	<u>37,482</u>	<u>39,302</u>	<u>31,125</u>	<u>(8,177)</u>
Expenditures				
Instruction				
Personnel Services	20,290	23,193	23,194	(1)
Employee Benefits	<u>7,815</u>	<u>6,732</u>	<u>6,730</u>	<u>2</u>
Total Instruction	<u>28,105</u>	<u>29,925</u>	<u>29,924</u>	<u>1</u>
Total Expenditures	<u>28,105</u>	<u>29,925</u>	<u>29,924</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	9,377	9,377	1,201	(8,176)
Cash Balance Beginning of Year	<u>(9,377)</u>	<u>(9,377)</u>	<u>(9,377)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,176)</u>	<u>\$ (8,176)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,201	
Net Change in Due from Grantor			<u>(1,201)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Career and Technical Education-24182

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 2,910	\$ 9,105	\$ 8,900	\$ (205)
Total Revenues	<u>2,910</u>	<u>9,105</u>	<u>8,900</u>	<u>(205)</u>
Expenditures				
Instruction				
Professional & Tech Services	<u>0</u>	<u>4,765</u>	<u>4,560</u>	<u>205</u>
Total Instruction	<u>0</u>	<u>4,765</u>	<u>4,560</u>	<u>205</u>
Support Services				
School Administration				
Professional & Tech Services	<u>0</u>	<u>1,430</u>	<u>1,430</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>1,430</u>	<u>1,430</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>6,195</u>	<u>5,990</u>	<u>205</u>
Excess (Deficiency) of Revenues Over Expenditures	2,910	2,910	2,910	0
Cash Balance Beginning of Year	<u>(2,910)</u>	<u>(2,910)</u>	<u>(2,910)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,910	
Net Change in Due from Grantor			<u>(2,910)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-USDA Equipment Assistance-24183

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 12,500	\$ 12,500	\$ 12,500	\$ 0
Total Revenues	<u>12,500</u>	<u>12,500</u>	<u>12,500</u>	<u>0</u>
Expenditures				
Food Service				
Supplies	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Food Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	12,500	12,500	12,500	0
Cash Balance Beginning of Year	<u>(12,500)</u>	<u>(12,500)</u>	<u>(12,500)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 12,500	
Net Change in Due from Grantor			<u>(12,500)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Medicaid-25153

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 85,948	\$ 85,948	\$ 76,603	\$ (9,345)
Total Revenues	<u>85,948</u>	<u>85,948</u>	<u>76,603</u>	<u>(9,345)</u>
Expenditures				
Support Services				
Students				
Personnel Services	50,666	50,666	50,359	307
Employee Benefits	20,221	20,221	19,862	359
Supplies	15,070	15,070	0	15,070
Total Students	<u>85,957</u>	<u>85,957</u>	<u>70,221</u>	<u>15,736</u>
Total Support Services	<u>85,957</u>	<u>85,957</u>	<u>70,221</u>	<u>15,736</u>
Total Expenditures	<u>85,957</u>	<u>85,957</u>	<u>70,221</u>	<u>15,736</u>
Excess (Deficiency) of Revenues Over Expenditures	(9)	(9)	6,382	6,391
Cash Balance Beginning of Year	<u>9</u>	<u>9</u>	<u>9</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,391</u>	<u>\$ 6,391</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 6,382	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 6,382</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Dual Credit Instructional Materials-27103

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 3,729	\$ 2,740	\$ (989)
Total Revenues	<u>0</u>	<u>3,729</u>	<u>2,740</u>	<u>(989)</u>
Expenditures				
Instruction				
Supplies	0	3,729	3,729	0
Total Instruction	<u>0</u>	<u>3,729</u>	<u>3,729</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,729</u>	<u>3,729</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(989)	(989)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (989)</u>	<u>\$ (989)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (989)	
Net Change in Due from Grantor			<u>989</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-GO Student Library-27107

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 21,414	\$ 21,414	\$ 935	\$ (20,479)
Total Revenues	<u>21,414</u>	<u>21,414</u>	<u>935</u>	<u>(20,479)</u>
Expenditures				
Instruction				
Supplies	21,414	21,414	20,878	536
Total Instruction	<u>21,414</u>	<u>21,414</u>	<u>20,878</u>	<u>536</u>
Total Expenditures	<u>21,414</u>	<u>21,414</u>	<u>20,878</u>	<u>536</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(19,943)	(19,943)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (19,943)</u>	<u>\$ (19,943)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (19,943)	
Net Change in Due from Grantor			<u>19,943</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-NM Reads to Lead-27114

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 97,500	\$ 97,500	\$ 73,524	\$ (23,976)
Total Revenues	<u>97,500</u>	<u>97,500</u>	<u>73,524</u>	<u>(23,976)</u>
Expenditures				
Instruction				
Personnel Services	55,294	48,597	48,596	1
Employee Benefits	23,194	20,257	20,254	3
Professional & Tech Services	0	1,650	1,650	0
Supplies	14,012	3,700	3,700	0
Supply Assets	5,000	23,296	23,300	(4)
Total Instruction	<u>97,500</u>	<u>97,500</u>	<u>97,500</u>	<u>0</u>
Total Expenditures	<u>97,500</u>	<u>97,500</u>	<u>97,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(23,976)	(23,976)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (23,976)</u>	<u>\$ (23,976)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (23,976)	
Net Change in Due from Grantor			<u>23,976</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Pre-K Initiative-27149

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 184,485	\$ 184,485	\$ 142,552	\$ (41,933)
Total Revenues	<u>184,485</u>	<u>184,485</u>	<u>142,552</u>	<u>(41,933)</u>
Expenditures				
Instruction				
Personnel Services	61,390	86,762	86,761	1
Employee Benefits	34,308	43,220	43,116	104
Professional & Tech Services	1,200	180	179	1
Other Purchased Services	32,500	423	423	0
Supplies	3,200	4,013	3,222	791
Supply Assets	2,000	0	0	0
Total Instruction	<u>134,598</u>	<u>134,598</u>	<u>133,701</u>	<u>897</u>
Total Expenditures	<u>134,598</u>	<u>134,598</u>	<u>133,701</u>	<u>897</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>49,887</u>	<u>49,887</u>	<u>8,851</u>	<u>(41,036)</u>
Cash Balance Beginning of Year	<u>(49,887)</u>	<u>(49,887)</u>	<u>(49,887)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (41,036)</u>	<u>\$ (41,036)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 8,851	
Net Change in Due from Grantor			<u>(8,851)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Breakfast for Elementary-27155

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 31,968	\$ 31,818	\$ (150)
Total Revenues	<u>0</u>	<u>31,968</u>	<u>31,818</u>	<u>(150)</u>
Expenditures				
Food Service				
Supplies	0	31,968	31,818	150
Total Food Service	<u>0</u>	<u>31,968</u>	<u>31,818</u>	<u>150</u>
Total Expenditures	<u>0</u>	<u>31,968</u>	<u>31,818</u>	<u>150</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-School Bus Replacement-27178

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 186,106	\$ 186,106	\$ 186,106	\$ 0
Total Revenues	<u>186,106</u>	<u>186,106</u>	<u>186,106</u>	<u>0</u>
Expenditures				
Student Transportation				
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Student Transportation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	186,106	186,106	186,106	0
Cash Balance Beginning of Year	<u>(186,106)</u>	<u>(186,106)</u>	<u>(186,106)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 186,106	
Net Change in Due from Grantor			<u>(186,106)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-New Mexico Grown Fresh Fruits and Vegetables-27183

Statement of Revenues, Expenditures, and Changes in Cash Balance -

Budget and Actual (Non-GAAP-Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,045	\$ 1,045	\$ 0
Total Revenues	<u>0</u>	<u>1,045</u>	<u>1,045</u>	<u>0</u>
Expenditures				
Food Service				
Supplies	0	1,045	1,045	0
Total Food Service	<u>0</u>	<u>1,045</u>	<u>1,045</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,045</u>	<u>1,045</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Dexter Consolidated Schools

Special Revenue Fund-Solar Farm-29135

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 4,935	\$ 4,935	\$ 4,935	\$ 0
Total Revenues	<u>4,935</u>	<u>4,935</u>	<u>4,935</u>	<u>0</u>
Expenditures				
Instruction				
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	4,935	4,935	4,935	0
Cash Balance Beginning of Year	<u>4,935</u>	<u>4,935</u>	<u>4,935</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,870</u>	<u>\$ 9,870</u>	<u>\$ 9,870</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 4,935</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 4,935</u>	

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

State of New Mexico

Dexter Consolidated Schools

Capital Projects Fund-Ed Tech Equipment-31900

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Bond Proceeds	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Capital Outlay				
Supply Assets	74,705	74,705	21,418	53,287
Total Capital Outlay	<u>74,705</u>	<u>74,705</u>	<u>21,418</u>	<u>53,287</u>
Total Expenditures	<u>74,705</u>	<u>74,705</u>	<u>21,418</u>	<u>53,287</u>
Excess (Deficiency) of Revenues Over Expenditures	(74,705)	(74,705)	(21,418)	53,287
Cash Balance Beginning of Year	<u>74,705</u>	<u>74,705</u>	<u>74,705</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,287</u>	<u>\$ 53,287</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,418)	
Net Change in Accounts Payable			<u>(3,726)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (25,144)</u>	

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

State of New Mexico

Dexter Consolidated Schools

Debt Service Fund-Deferred Sick Leave-42000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest Income	\$ 35	\$ 35	\$ 134	\$ 99
Total Revenues	<u>35</u>	<u>35</u>	<u>134</u>	<u>99</u>
Expenditures				
Central Services				
Employee Benefits	60,831	60,831	1,571	59,260
Total Central Services	<u>60,831</u>	<u>60,831</u>	<u>1,571</u>	<u>59,260</u>
Total Expenditures	<u>60,831</u>	<u>60,831</u>	<u>1,571</u>	<u>59,260</u>
Excess (Deficiency) of Revenues Over Expenditures	(60,796)	(60,796)	(1,437)	59,359
Cash Balance Beginning of Year	<u>60,831</u>	<u>60,831</u>	<u>60,831</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 35</u>	<u>\$ 35</u>	<u>\$ 59,394</u>	<u>\$ 59,359</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (1,437)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,437)</u>	

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

State of New Mexico

Dexter Consolidated Schools

Debt Service Fund-Ed Tech Debt Service-43000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 129,885	\$ 129,885	\$ 130,031	\$ 146
Total Revenues	<u>129,885</u>	<u>129,885</u>	<u>130,031</u>	<u>146</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	1,200	1,200	1,168	32
Total General Administration	<u>1,200</u>	<u>1,200</u>	<u>1,168</u>	<u>32</u>
Total Support Services	<u>1,200</u>	<u>1,200</u>	<u>1,168</u>	<u>32</u>
Debt Service				
Principal	125,000	125,000	125,000	0
Interest	4,885	4,885	4,885	0
Total Debt Service	<u>129,885</u>	<u>129,885</u>	<u>129,885</u>	<u>0</u>
Total Expenditures	<u>131,085</u>	<u>131,085</u>	<u>131,053</u>	<u>32</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,200)	(1,200)	(1,022)	178
Cash Balance Beginning of Year	<u>133,316</u>	<u>133,316</u>	<u>133,316</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 132,116</u>	<u>\$ 132,116</u>	<u>\$ 132,294</u>	<u>\$ 178</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,022)	
Net Change in Taxes Receivable			2,524	
Net Change in Unavailable Revenue			112	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 1,614</u>	

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

Required Supplemental Information

State of New Mexico
Dexter Consolidated Schools
Schedules of Required Supplementary Information for Pension Plan

Schedule of the District's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.20451%	0.21082%
District's proportionate share of the net pension liability	\$ 11,668,781	\$ 13,655,373
District's covered-employee payroll	\$ 5,637,034	\$ 5,756,061
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.00%	237.23%
Plan fiduciary net position as a percentage of the total pension liability	66.54%	63.97%

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

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 832,318	\$ 950,694
Contributions in relation to the contractually required contribution	<u>832,318</u>	<u>833,006</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 117,688</u>
District's covered-employee payroll	\$ 5,637,034	\$ 5,756,061
Contributions as a percentage of covered-employee payroll	14.77%	14.47%

* These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

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

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, the Board of Trustees of ERB implemented the following changes in assumptions for fiscal years 2015.

1. Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.25% to 3.75%
 - b. Minor changes to demographic assumptions
 - c. Lower population growth from .50% to zero by removing population growth assumption
 - d. Updated the mortality tables to incorporate generational improvements

2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%
 - c. COLA assumption of 2.00% per year
 - d. Retain net 4.75% real return assumption
 - e. Maintain current payroll growth assumption of 3.50%
 - f. Maintained experience-based rates for members who joined NMERB by June 30, 2010

See also the Actuarial Assumptions subsection of the financial statement note disclosure General Information on the Pension Plan.

Other Supplemental Information

Agency Fund

Activity Trust Fund

To account for funds of various student groups that are custodial in nature.

State of New Mexico
Dexter Consolidated Schools
Agency Funds - Activity
Schedule of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance 6/30/15	Additions	Deductions	Ending Balance 6/30/16
Assets				
Administration				
23001 Book Fees	\$ 216	\$ 790	\$ 152	\$ 854
23002 Bus Fund	113,498	54,329	21,247	146,580
23003 Community Evening Class	3,463	0	0	3,463
23004 RIF	4,405	1,250	1,553	4,102
23005 Battle of the books	0	60	60	0
23006 Library Book Fund	665	947	341	1,271
23007 Crossfit	392	113	505	0
23009 Previous Senior Classes	1,461	298	0	1,759
23010 Misc. Fund (Interest)	7,293	2	5,917	1,378
23011 RT Bible Scholarship	13,678	0	400	13,278
23012 Mehlhop Family Scholarship	28,584	0	400	28,184
23013 Administration	105	2,769	146	2,728
23014 Quiroz Memorial	550	0	0	550
23019 John Reid Memorial	120	0	0	120
	<u>174,431</u>	<u>60,558</u>	<u>30,721</u>	<u>204,268</u>
Elementary				
23100 Robb	5	103	0	108
23101 Duran	986	3,197	3,477	706
23102 Granados	683	398	444	637
23103 Regalado	511	581	845	247
23104 Saenz	478	548	559	467
23105 A Cobos	992	1,673	2,141	524
23110 B Jacquez	0	490	234	256
23111 Wagner	188	144	161	171
23112 Northrup	16	264	206	74
23113 Prudencio	5	494	260	239
23120 Henington	1,434	2,718	2,964	1,188
23121 Miranda	1,654	1,351	1,926	1,079
23122 Salayandia	236	676	530	382
23123 Perez	488	1,157	1,230	415
23131 Campos	378	4	268	114
23132 Gomez	680	266	722	224
23133 Deyoung	224	115	158	181
23134 Quiroz	231	137	158	210
23140 Blanco	242	2,774	1,977	1,039
23142 Pena	2	1,232	958	276
23143 Chavez	160	1,348	1,259	249
23150 Contreras	433	2,440	2,530	343
23151 Shipman	237	1,592	1,482	347
23152 Montoya	353	1,794	1,595	552
23153 Castro	204	1,751	1,737	218
23154 Reyes	255	1,095	1,085	265
23160 Elementary Office	1,996	8,182	7,910	2,268
23161 Elementary Miscellaneous	\$ 114	\$ 214	\$ 253	\$ 75

State of New Mexico
Dexter Consolidated Schools
Agency Funds - Activity
Schedule of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance 6/30/15	Additions	Deductions	Ending Balance 6/30/16
23162 Elementary Library	\$ 2,804	\$ 12,488	\$ 11,430	\$ 3,862
23163 Miller	65	0	0	65
23164 Ellis	1,245	426	466	1,205
23165 Luikens	1,640	800	645	1,795
23167 Velasco	117	0	0	117
23168 Fine Arts	172	165	0	337
23169 May Celebration	3,188	2,277	2,430	3,035
23170 Intervention	667	0	0	667
23171 PTO	161	0	0	161
23172 Cafeteria	0	764	0	764
	<u>23,242</u>	<u>53,658</u>	<u>52,040</u>	<u>24,860</u>
Middle School				
23201 Office	275	2,668	2,520	423
23202 Miscellaneous	53	243	156	140
23203 Library	374	1,538	1,547	365
23204 Sixth Grade Team	352	0	352	0
23205 Seventh Grade Team	114	0	114	(0)
23206 Eighth Grade Team	1,436	4,176	2,346	3,266
23207 Drama Gifted	5,593	4,346	4,022	5,917
23211 NM Outdoor Grant	374	2	376	0
23212 Spanish Club	1,908	0	207	1,701
	<u>10,479</u>	<u>12,973</u>	<u>11,640</u>	<u>11,812</u>
High School				
23301 High School Office	1,055	2,996	2,837	1,214
23302 High School Library	545	126	0	671
23303 High School Student	38	546	345	239
23304 Close-up	576	0	576	(0)
23305 National Honor Society	346	3,409	3,323	432
23306 Auto (VICA)	3,477	760	3,996	241
23307 Yearbook	3,615	3,430	3,972	3,073
23309 BPA	4,272	6,503	6,508	4,267
23310 Art Club	1,378	0	389	989
23311 Class of 2015	298	0	298	0
23312 Class of 2016	3,906	0	3,827	79
23313 Class of 2017	3,958	13,210	10,697	6,471
23314 Class of 2018	0	6,594	4,090	2,504
23315 Spanish Club	10	0	10	(0)
23316 FFA	7,405	24,141	23,524	8,022
23319 Project Celebration	1,893	8,305	10,191	7
23320 Teens Needing Teens	19,861	13,956	7,559	26,258
23322 High School Business Class	931	0	271	660
23323 Science Department	327	0	0	327
23326 Integrated Fine Arts	74	392	0	466
23329 Band	3,748	3,415	3,009	4,154
23331 Letter Jackets	1,560	0	600	960
	<u>\$ 59,274</u>	<u>\$ 87,783</u>	<u>\$ 86,022</u>	<u>\$ 61,035</u>

State of New Mexico
Dexter Consolidated Schools
Agency Funds - Activity
Schedule of Changes in Assets and Liabilities - Agency Funds
For the Year Ended June 30, 2016

	Beginning Balance 6/30/15	Additions	Deductions	Ending Balance 6/30/16
Athletics				
23401 Athletic Playoffs	\$ 2,088	\$ 4,260	\$ 3,274	\$ 3,074
23402 Football	1,611	10,881	7,061	5,431
23403 Volleyball	1,070	8,894	8,797	1,167
23404 Boys Basketball	(975)	9,709	7,199	1,535
23405 Girls Basketball	343	1,917	1,644	616
23406 Baseball	5,829	19,241	17,720	7,350
23407 Softball	7,202	19,803	15,017	11,988
23408 Track	3,941	14,025	14,334	3,632
23409 Golf	502	840	970	372
23410 Varsity Cheerleaders	627	3,478	3,540	565
23411 Tournament Fund	1,148	7,788	5,864	3,072
23413 District 4-3A	5,623	7,388	3,096	9,915
	<u>29,009</u>	<u>108,224</u>	<u>88,516</u>	<u>48,717</u>
Total Assets	<u>\$ 296,435</u>	<u>\$ 323,196</u>	<u>\$ 268,939</u>	<u>\$ 350,692</u>
Liabilities				
Deposits Held for Others	<u>\$ 296,435</u>	<u>\$ 323,196</u>	<u>\$ 268,939</u>	<u>\$ 350,692</u>
Total Liabilities	<u>\$ 296,435</u>	<u>\$ 323,196</u>	<u>\$ 268,939</u>	<u>\$ 350,692</u>

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

State of New Mexico
Dexter Consolidated Schools
Cash Reconciliations - All Funds
For the Year Ended June 30, 2016

		Beginning Cash 6/30/15	Revenues	Expenditures	Ending Cash 6/30/16
Operational	11000	\$ 1,215,888	\$ 8,246,502	\$ 8,700,341	\$ 762,049
Transportation	13000	0	546,699	524,130	22,569
Instructional Materials	14000	107,147	68,197	76,361	98,983
Food Services	21000	(37,341)	710,902	695,529	(21,968)
Athletics	22000	116,179	26,088	40,000	102,267
Agency Funds	23000	296,435	323,196	268,939	350,692
Federal Flowthrough	24000	(126,408)	526,845	572,708	(172,271)
Federal Direct	25000	9	76,603	70,221	6,391
State Flowthrough	27000	(332,240)	564,876	384,941	(152,305)
Local Grants	29000	4,935	4,935	0	9,870
Bond Building	31100	293,954	801,019	403,331	691,642
Senate Bill Nine	31700	(213,268)	436,660	332,879	(109,487)
Ed Tech Capital Projects	31900	74,705	0	21,418	53,287
Debt Service	41000	685,446	671,141	705,762	650,825
Deferred Sick Leave	42000	60,830	134	1,571	59,393
Ed Tech Debt Service	43000	133,316	130,031	131,052	132,295
Total		\$ <u>2,279,586</u>	\$ <u>13,133,828</u>	\$ <u>12,929,183</u>	\$ <u>2,484,231</u>

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

State of New Mexico

Dexter Consolidated Schools

Vendor Schedule

For the Year Ended June 30, 2016

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
No RFPs this year - large transactions were purchased through CES or GSA contracts								

Federal Compliance

State of New Mexico
Dexter Consolidated Schools
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2016

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
School Breakfast Program	10.553	21000	\$ 231,326
National School Lunch Program	10.555	21000	383,977
Pass-through State Department of Human Services:			
Commodity Supplemental Food Program	10.565	21000 (1)	45,650
Direct Program			
Rural Development , Forestry, and Communities	10.670	11000	1,534
Total U. S. Department of Agriculture			<u>662,487</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
Entitlement	84.027	24106	269,514
Risk Pool	84.027	24120	20,449
Preschool	84.173	24109	9,351
Total Special Education Cluster			<u>299,314</u>
Title I	84.010	24101	172,840
Title I Migrant	84.011	24103	36,236
Autism Spectrum Disorder Project	84.010	24108	6,653
English Language Acquisition	84.340	24153	14,056
Improving Teacher Quality	84.332	24154	29,925
Career and Technical Education	85.048	24182	5,989
Total U. S. Department of Education			<u>565,013</u>
Total Federal Assistance			<u>\$ 1,227,500</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

State of New Mexico

Dexter Consolidated Schools

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2016

Note 1: Significant Accounting Policies used in preparing the Schedule of Expenditure of Federal Awards

The modified accrual basis was used to prepare the Schedule of Expenditures of Federal Awards

Note 2: Insurance Requirements

There are no insurance requirements on the federal awards disclosed on the Schedule of Expenditures of Federal Awards

Note 3: Loans or Loan Guarantees

There were no loans or loan guarantees outstanding at year end.

Note 4: De Minimis Indirect Rate

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

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 Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Dexter Consolidated Schools

Mr. Keller and Members of the Board

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 Dexter Consolidated Schools (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated September 30, 2016.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District'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 are 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 certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies. 2010-003, 2014-001, 2014-002, 2014-003, 2015-002, 2015-003, 2015-006 and 2016-001.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of it's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-003, 2014-001, 2014-002, 2014-003, 2015-002, 2015-003, 2015-006 and 2016-001.

District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Questioned Cost. responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 CPA PC

Clovis, New Mexico
September 30, 2016

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

Report on Compliance With Requirements
Applicable To Each Major Program and Internal Control
Over Compliance in Accordance With OMB Uniform Guidance

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Dexter Consolidated Schools

Mr. Keller and Members of the Board

Compliance

We have audited Dexter Consolidated Schools (District) compliance with the types of compliance requirements described in the *Title 2 U.S. CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2016. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements. 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 in the 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 that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements. In planning and performing the compliance audit, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

De'Ann Willoughby, CPA PC

Clovis, New Mexico
September 30, 2016

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

* Material weaknesses identified? No

* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weaknesses identified? No

* Significant deficiencies identified? No

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133 No

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
10.553	Child Nutrition Cluster
10.555	School Breakfast Program
	National School Lunch Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Audited qualified as low risk Auditee Yes

Federal Compliance Findings

Prior Year Audit Findings None
Current Year Audit Findings None

Financial Statements Findings

Prior Year Audit Findings	Status
2010-003 PED Cash Reports	Repeated & Modified
2013-004 Lack of Pledged Securities	Resolved
2014-001 Cash Appropriations in Excess of Available Cash Balances	Repeated & Modified
2014-002 New Mexico New Hire Reporting	Repeated & Modified
2014-003 941/State Unemployment	Repeated & Modified
2015-001 Payroll	Resolved
2015-002 ERB & RHCA	Repeated & Modified
2015-003 I-9's	Repeated & Modified
2015-004 Checks that are actual ACH debits are not be disposed of correctly	Resolved
2015-005 Bank Reconciliations not being performed in a timely manner	Resolved
2015-006 Activity Receipts	Repeated & Modified

Current Year Audit Findings

2010-003 PED Cash Reports-Compliance and Internal Control-Significant Deficiency Condition

The District's submitted PED Cash Report at year end did not properly reflect the June 30, 2016 reconciled cash balances. The operational fund was less than reported by \$79,393.44, Transportation was less than reported by \$5,702.46, Instructional Materials was less than reported by \$152,721, Food Service was less than reported by \$8,285.71, Activities was less than reported by \$4,223, State Flowthrough was more than reported by \$8,988, Deferred Sick Leave was more than reported by \$60,831.

Management is not making progress on this finding.

Criteria

6.20.2.11 (B) (6) NMAC and Regulation SBE-6 the reports sent to the New Mexico Public Education Department (PED) must agree to the District's general ledger and must be submitted quarterly and annually by July 31.

Effect

The District is not in compliance with NMAC 6.20.2.11 (b) (6) and Regulation SBE-6. Noncompliance may result in poor decision making by the District's governing board.

Cause

The bank reconciliations were not completed timely and there were variances on the reports. Failing to reconcile the bank accounts to the general ledger causes the PED report and audited cash balances to be different.

Recommendation

We recommend the bank reconciliations are prepared timely and correctly to provide data to correctly complete the PED report.

Response

We will reconcile the bank accounts timely and correctly. A \$40,000 CD was posted incorrectly by the District as revenue affecting the reported cash. In instructional materials, expenditures were entered as a positive rather than a negative number on the PED report. Beginning cash was left off of the PED report for fund 42000.

The business manager is responsible for this finding and it is unknown when this finding will be resolved.

2014-001 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-Significant Deficiency

Condition

The District maintained a deficit budget in excess of available cash balance in the General Fund \$(278,108), Instructional Materials \$(151), Bond Building \$(54,178), Senate Bill Nine \$(709,253), Food Service \$(37,342), Athletics \$(15,158), and Title I \$(4,929).

Management is making progress on this finding

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances budgeted to make up the deficit budgeted revenues that do not cover the budgeted expenditures, cannot exceed the actual cash balance available at the end of the prior year.

Effect

The District will have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Cause

The District does not have a procedure in place to ensure sufficient beginning cash balances exist to absorb budget deficits.

Recommendation

BARS should be issued shortly after audited cash balances are confirmed if estimated cash balances are more and cash was used to balance the budget.

Response

BARS will be issued to adjust beginning cash to actual and reduce expenditures as necessary.

The business manager is responsible for this finding is confident this finding has been resolved.

2014-002 New Mexico New Hire Reporting - Compliance and Internal Control-Significant Deficiency

Condition

Out of 5 new hires sampled we noted:

- 1) 1 was not reported timely.

Management is making progress on this finding

Criteria

Under New Mexico law (§50-13-1 to 50-13-4) and Federal law (42 USC §653.a.(b)(1)(A)), all public, private, non-profit, and government employers are required to report all newly hired employees within 20 days of hire or rehire to the New Mexico New Hires Directory.

Cause

A change in personnel, lack of training and supervision caused the new hire reporting requirements process to fail.

Effect

Pursuant to federal law, states have the option of imposing civil monetary penalties on employers who fail to report new hires. The fine can be up to \$20 per newly hired employee, and if there is a conspiracy between the employer and employee not to report, the penalty can be up to \$500 per newly hired employee.

Recommendation

Training and supervision should occur to assure the new hire reporting requirements are met.

Response

Due to regular staff being out on extended leave, others filled in to send in New Hire Reports. We now have permanent staff who will submit these reports.

The business manager is responsible for this finding is confident this finding will be has been resolved.

2015-002 ERB and RHCA - Compliance and Internal Control-Significant Deficiency

Condition

During our testing of payroll we noted the following:

One of 15 employees sampled had an employee that was not paying into ERB and RHCA. The employee's portion of ERB due totals 843.12, employer's portion due totals \$1,095.36. The employee's portion of RHCA due is \$78.80, employer's portion due is \$157.60.

Management is making progress on this finding

Criteria

As per ERB handbook any employee working .25 FTE or more is covered by ERB's retirement program. Also, the Office of the State Auditor has added NMRHCA to their 2010 State Auditor Rule under State Compliance, Section 2.2.2.10 (G) (19). The rule states: "Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978). Auditors should test to ensure 100% of payroll is reported to NMRHCA. RHCA employer and employee contributions are set forth in Section 10-7C-15 NMSA 1978.

Effect

Benefits were underpaid and the employee did not received credit for the earnings at ERB.

Cause

The setup in the software program was not correct.

Recommendation

The setup should be reviewed for all employees before the first payroll is run at the beginning of the school year. The review should continue for each new employee.

Response

When it was discovered that part-time staff were working enough to be considered full time, a change was made to their deductions. However, the change was not made until the new calendar year because it adversely affected the employees' net pay.

The business manager and payroll clerk are responsible for this finding. It is unknown when this issue will be resolved.

2015-003 I-9's-Compliance & Internal Control-Significant Deficiency

Condition

Out of 15 sampled we noted the following:

Four I-9s were incomplete.

Management is making progress on this finding

Criteria

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP. School district shall maintain and have available for inspection the following employee record documentation: employment contracts (including increments), personnel/payroll action forms, certification records, employment eligibility verification (federal form I-9 for citizenship certification), federal and state withholding allowance certificates, pay deduction authorizations, direct deposit authorizations, pay or position change notices and ERA plan application.

Effect

The District is subject to penalties. The penalties can include \$250 to \$3,000 for improper completion of the I-9 form. Improper completion, retention or making it available for inspection fines range from \$100 to \$1,100 for each I-9. Knowingly hiring or continuing to employ unauthorized workers fines range from \$250 up to \$11,000 per violation

Cause

The I-9 was completed before training.

Recommendation

We recommend additional training, supervision and review. All I-9 should be reviewed and updated as necessary.

Response

We will review all I-9s and update them as necessary.

The business manager is responsible for this finding is confident this finding will be resolved before the end of the current fiscal year.

2015-006 Activity Receipts-Compliance and Internal Control-Significant Deficiency

Condition

Students are not always given receipts, checks are being held at the teacher's level longer than 24 hours, not all receipts have the District's name printed on the receipt and not all receipt books are 3 parts with one copy turned into central office with the summary sheet and copy of deposit slip.

Management is making progress on this finding

Criteria

6-5-2 NMSA Internal Accounting Controls: Internal controls and procedures should be in writing and followed allowing documentation for the responsible party.

Effect

Activity funds pose a high risk of fraud making the implementation of a strong internal control system very important. Without a strong working control system, activity funds could easily be misappropriated.

Cause

Everyone district wide has become complacent in receipts and depositing funds timely.

Recommendation

The District should undertake to provide the personnel responsible for handling activity receipts with sufficient training and supervision to ensure compliance with internal control systems.

Response

Students are given receipts as they turn in money, but students hold checks and turn in at a later time. When teachers receive money, they write receipts. When teachers turn money in to the office, the office writes receipts to the teachers. Copies of receipts are stapled to daily deposit reports along with evidence of the deposit.

The superintendent is responsible for this finding and continues to remind staff of proper money handling procedures. It is unknown when this finding will be resolved.

2016-001 State Unemployment - Compliance and Internal Control-Significant Deficiency

Condition

During our audit process we noticed:

The 9/30/15 State Unemployment quarterly report was submitted timely and with the right amount however, in November there was a adjusting journal entry #675 reversed the 8/10/15 payroll. This adjustment caused the 2015 W-2's that were sent to employees would be incorrect as well as underpaying payroll taxes.

Criteria

irs.gov/Businesses/Small-Businesses-&-Self-Employed/Employment-Tax-Due-Dates states that for 941s are due by the end of the following month. New Mexico Department of Labor, Employment Security Division. State Unemployment (SUTA Form 903A) is due by the last day of the month following end of the quarter.

Effect

Employees W-2 are wrong, cash reconciliations are wrong, the expenditure reports were understated. Reimbursement of grant expenditures were understated and unable to recover.

Cause

The business manager was reversing payrolls and reissuing checks for NMPSIA to pay as billed.

Recommendation

The payrolls should not be reversed to manage the NMPSIA issue.

Response

We will not reverse the payrolls.

The business manager is responsible for this finding and expects it to be resolved immediately.

Financial Statement Preparation

The financial statements were prepared by De'Aun Willoughby CPA. However, they are the responsibility of management.

Exit Conference

An exit conference was held on September 30, 2016. Those present were Lesa Dodd-Superintendent, Mike Gomez-Board Member, Dan Lathrop-Board Member, Jeannie Harris-Business Manager and De'Aun Willoughby CPA.