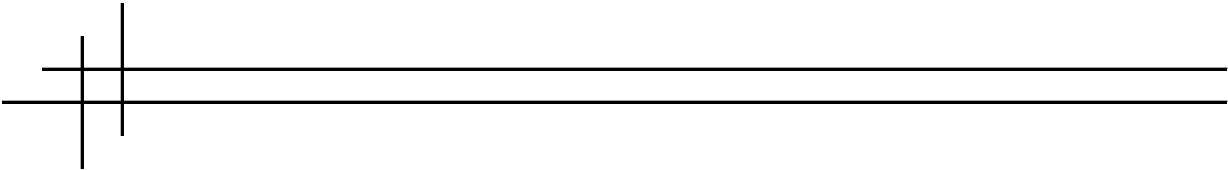


State of New Mexico
Elida Municipal School

Annual Financial Report
June 30, 2016

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



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State of New Mexico
Elida Municipal School
Official Roster
June 30, 2016

Board of Education

Emiliano Jasso Jr.	President
Scott Burton	Vice-President
Garland Creighton	Secretary
Jenny Clemmons	Member
Cody Ferguson	Member

School Officials

Tandee Delk	Superintendent
Susan Lambirth	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 Elida Municipal School

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 funds and major special revenue funds of Elida Municipal School (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 all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. 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, thereof and the respective budgetary comparisons for the major capital projects 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 contest. 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 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 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 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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 7, 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
October 7, 2016

Financial Section

State of New Mexico
Elida Municipal School
Government-Wide Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 363,969
Receivables	
Property Taxes	1,354
Due From Grantor	38,191
Inventory	2,977
Total Current Assets	<u>406,491</u>
Noncurrent Assets	
Capital Assets	6,281,487
Less: Accumulated Depreciation	<u>(3,851,061)</u>
Total Noncurrent Assets	<u>2,430,426</u>
Total Assets	<u>2,836,917</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	
Changes of Assumptions	89,717
Changes in Proportion	56,463
Contributions Subsequent to Measurement Date	155,461
Total Deferred Outflows of Resources	<u>301,641</u>
Liabilities	
Current Liabilities	
Accounts Payable	13,238
Total Current Liabilities	<u>13,238</u>
Long-Term Liabilities	
Pension Liability	2,608,395
Total Long-Term Liabilities	<u>2,608,395</u>
Total Liabilities	<u>2,621,633</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	
Changes in Proportion	30,419
Actuarial Experience	48,357
Investment Experience	11,742
Total Deferred Inflows of Resources	<u>90,518</u>
Net Position	
Invested in Net Capital Assets	2,430,426
Restricted for:	
Capital Projects	56,978
Debt Service	10,232
Unrestricted	<u>(2,071,229)</u>
Total Net Position	<u>\$ 426,407</u>

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

State of New Mexico
Elida Municipal School
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	\$ 1,624,810	\$ 10,068	\$ 145,542	\$ 0	\$ (1,469,200)
Support Services					
Students	40,327	0	2,073	0	(38,254)
General Administration	145,969	0	0	0	(145,969)
School Administration	92,642	0	0	0	(92,642)
Central Services	65,871	0	0	0	(65,871)
Operation of Plant	279,144	13,300	0	0	(265,844)
Transportation	218,175	0	207,327	0	(10,848)
Food Services	112,477	8,368	57,333	0	(46,776)
Total Governmental Activities	\$ 2,579,415	\$ 31,736	\$ 412,275	\$ 0	(2,135,404)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					10,523
Property Taxes, Levied for Capital Projects					44,937
Property Taxes, Levied for Debt Service					0
Federal and State aid not restricted to specific purpose					
General					2,046,530
Capital					40,942
Interest Income					81
Miscellaneous					8,595
Subtotal, General Revenues					<u>2,151,608</u>
Change in Net Position					16,204
Net Position - Beginning					<u>410,203</u>
Net Position - Ending					<u>\$ 426,407</u>

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

State of New Mexico
Elida Municipal School
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Assets			
Cash and Cash Equivalents	\$ 48,274	\$ 9,136	\$ 0
Receivables			
Property Taxes	247	0	0
Due From Grantor	0	0	0
Interfund Balances	38,191	0	0
Inventory	0	0	0
Total Assets	<u>\$ 86,712</u>	<u>\$ 9,136</u>	<u>\$ 0</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 4,464	\$ 720	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>4,464</u>	<u>720</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	82,248	8,416	0
Total Fund Balances	<u>82,248</u>	<u>8,416</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 86,712</u>	<u>\$ 9,136</u>	<u>\$ 0</u>

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

State of New Mexico
Elida Municipal School
 Governmental Funds
 Balance Sheet
 June 30, 2016

	<u>General Fund</u>			<u>Special Revenue Funds</u>		
	<u>Instructional</u>			<u>Title I</u>		<u>Wind Farm</u>
	<u>Materials</u>			<u>24101</u>		<u>Projects</u>
	<u>14000</u>					<u>29134</u>
Assets						
Cash and Cash Equivalents	\$	3,420	\$	0	\$	213,093
Receivables						
Property Taxes		0		0		0
Due From Grantor		0		5,164		0
Interfund Balances		0		0		0
Inventory		0		0		0
Total Assets	\$	<u>3,420</u>	\$	<u>5,164</u>	\$	<u>213,093</u>
Liabilities and Fund Balance						
Liabilities						
Accounts Payable	\$		\$	0	\$	6,607
Interfund Balances		<u>0</u>		<u>5,164</u>		<u>0</u>
Total Liabilities		<u>0</u>		<u>5,164</u>		<u>6,607</u>
Fund Balances						
Nonspendable-Inventory		0		0		0
Restricted for						
Special Revenue Funds		0		0		206,486
Capital Projects		0		0		0
Debt Service		0		0		0
Unassigned		<u>3,420</u>		<u>0</u>		<u>0</u>
Total Fund Balances		<u>3,420</u>		<u>0</u>		<u>206,486</u>
Total Liabilities and Fund Balances	\$	<u>3,420</u>	\$	<u>5,164</u>	\$	<u>213,093</u>

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

State of New Mexico
Elida Municipal School
 Governmental Funds
 Balance Sheet
 June 30, 2016

	<u>Capital Outlay</u> Special Capital Outlay-State 31400	<u>Capital Outlay</u> Senate Bill Nine 31700	Other Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 0	\$ 54,338	\$ 35,708
Receivables			
Property Taxes	0	1,107	0
Due From Grantor	29,986	0	3,041
Interfund Balances	0	0	0
Inventory	0	0	2,977
Total Assets	<u>\$ 29,986</u>	<u>\$ 55,445</u>	<u>\$ 41,726</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 1,082	\$ 365
Interfund Balances	29,986	0	3,041
Total Liabilities	<u>29,986</u>	<u>1,082</u>	<u>3,406</u>
Fund Balances			
Nonspendable-Inventory	0	0	2,977
Restricted for			
Special Revenue Funds	0	0	22,496
Capital Projects	0	54,363	2,615
Debt Service	0	0	10,232
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>54,363</u>	<u>38,320</u>
Total Liabilities and Fund Balances	<u>\$ 29,986</u>	<u>\$ 55,445</u>	<u>\$ 41,726</u>

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

State of New Mexico
Elida Municipal School
 Governmental Funds
 Balance Sheet
 June 30, 2016

	Total Governmental Funds
	<u> </u>
Assets	
Cash and Cash Equivalents	\$ 363,969
Receivables	
Property Taxes	1,354
Due From Grantor	38,191
Interfund Balances	38,191
Inventory	2,977
Total Assets	<u>\$ 444,682</u>
Liabilities and Fund Balance	
Liabilities	
Accounts Payable	\$ 13,238
Interfund Balances	38,191
Total Liabilities	<u>51,429</u>
Fund Balances	
Nonspendable-Inventory	2,977
Restricted for	
Special Revenue Funds	228,982
Capital Projects	56,978
Debt Service	10,232
Unassigned	94,084
Total Fund Balances	<u>393,253</u>
Total Liabilities and Fund Balances	<u>\$ 444,682</u>

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

State of New Mexico
Elida Municipal School
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2016

Total Fund Balance - Governmental Funds \$ 393,253

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

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

The Cost of Capital Assets	\$ 6,281,487	
Accumulated Depreciation	<u>(3,851,061)</u>	2,430,426

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	301,641	
Deferred Inflows Related to Pensions	<u>(90,518)</u>	211,123

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

Pension Liability	<u>(2,608,395)</u>	
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Total Net Position - Governmental Activities	\$	426,407
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The notes to the financial statements are an integral part of this statement.

State of New Mexico
Elida Municipal School
 Governmental Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 10,523	\$ 0	\$ 0
Fees	0	13,300	0
Federal Grants	0	0	0
State & Local Grants	1,613,865	0	207,327
Interest	0	31	0
Miscellaneous	8,595	0	0
Total Revenues	1,632,983	13,331	207,327
Expenditures			
Current			
Instruction	1,001,436	0	0
Support Services			
Students	39,753	0	0
Instruction	0	0	0
General Administration	142,010	0	0
School Administration	90,007	0	0
Central Services	64,376	0	0
Operation of Plant	242,202	12,124	0
Student Transportation	0	0	209,680
Food Services	45,483	0	0
Capital Outlay	0	0	0
Total Expenditures	1,625,267	12,124	209,680
Excess (Deficiency) of Revenues Over Expenditures	7,716	1,207	(2,353)
Fund Balances Beginning of Year	74,532	7,209	2,353
Fund Balances End of Year	\$ 82,248	\$ 8,416	\$ 0

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

State of New Mexico
Elida Municipal School
 Governmental Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	General Fund	Special Revenue Funds	
	Instructional Materials 14000	Title I 24101	Wind Farm Projects 29134
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	0	22,201	0
State & Local Grants	8,221	0	432,665
Interest	0	0	0
Miscellaneous	0	0	0
Total Revenues	8,221	22,201	432,665
Expenditures			
Current			
Instruction	11,434	22,201	279,373
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 of Plant	0	0	0
Student Transportation	0	0	7,205
Food Services	0	0	0
Capital Outlay	0	0	4,127
Total Expenditures	11,434	22,201	290,705
Excess (Deficiency) of Revenues Over Expenditures	(3,213)	0	141,960
Fund Balances Beginning of Year	6,633	0	64,526
Fund Balances End of Year	\$ 3,420	\$ 0	\$ 206,486

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

State of New Mexico
Elida Municipal School
 Governmental Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	<u>Capital Outlay</u> Special Capital Outlay-State 31400	<u>Capital Outlay</u> Senate Bill Nine 31700	Other Governmental Funds
Revenues			
Property Taxes	\$ 0	\$ 44,937	\$ 0
Fees	0	0	18,436
Federal Grants	0	0	96,903
State & Local Grants	29,986	10,956	77,623
Interest	0	28	22
Miscellaneous	0	0	0
Total Revenues	<u>29,986</u>	<u>55,921</u>	<u>192,984</u>
Expenditures			
Current			
Instruction	0	0	125,234
Support Services			
Students	0	0	0
Instruction	0	0	2,073
General Administration	0	459	0
School Administration	0	0	0
Central Services	0	0	0
Operation of Plant	0	22,248	0
Student Transportation	0	0	0
Food Services	0	0	65,855
Capital Outlay	29,986	25,755	0
Total Expenditures	<u>29,986</u>	<u>48,462</u>	<u>193,162</u>
Excess (Deficiency) of Revenues Over Expenditures	0	7,459	(178)
Fund Balances Beginning of Year	<u>0</u>	<u>46,904</u>	<u>38,498</u>
Fund Balances End of Year	<u>\$ 0</u>	<u>\$ 54,363</u>	<u>\$ 38,320</u>

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

State of New Mexico
Elida Municipal School
 Governmental Funds
 Statement of Revenues, Expenditures and
 Changes in Fund Balance
 For the Year Ended June 30, 2016

	Total Governmental Funds
Revenues	
Property Taxes	\$ 55,460
Fees	31,736
Federal Grants	119,104
State & Local Grants	2,380,643
Interest	81
Miscellaneous	8,595
Total Revenues	<u>2,595,619</u>
Expenditures	
Current	
Instruction	1,439,678
Support Services	
Students	39,753
Instruction	2,073
General Administration	142,469
School Administration	90,007
Central Services	64,376
Operation of Plant	276,574
Student Transportation	216,885
Food Services	111,338
Capital Outlay	59,868
Total Expenditures	<u>2,443,021</u>
Excess (Deficiency) of Revenues Over Expenditures	152,598
Fund Balances Beginning of Year	<u>240,655</u>
Fund Balances End of Year	<u>\$ 393,253</u>

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

State of New Mexico
Elida Municipal School
 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 \$ 152,598

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those 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.

Depreciation Expense	\$ (150,138)	
Capital Outlays	<u>59,868</u>	(90,270)

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	155,461	
Pension Expense	<u>(201,585)</u>	<u>(46,124)</u>

Changes in Net Position of Governmental Activities \$ 16,204

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

State of New Mexico
Elida Municipal School
 General Fund-Operational-11000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 10,500	\$ 10,500	\$ 10,362	\$ (138)
State & Local Grants	16,000	16,000	8,595	(7,405)
Miscellaneous	1,613,865	1,613,865	1,613,865	0
Total Revenues	<u>1,640,365</u>	<u>1,640,365</u>	<u>1,632,822</u>	<u>(7,543)</u>
Expenditures				
Instruction				
Personnel Services	745,383	750,384	736,923	13,461
Employee Benefits	260,687	262,943	253,707	9,236
Other Purchased Services	353	353	0	353
Supplies	25,248	21,855	10,460	11,395
Total Instruction	<u>1,031,671</u>	<u>1,035,535</u>	<u>1,001,090</u>	<u>34,445</u>
Support Services				
Students				
Personnel Services	20,857	17,143	17,143	0
Employee Benefits	4,931	4,940	4,553	387
Professional & Tech Services	21,564	21,564	10,313	11,251
Other Purchased Services	11,050	11,050	7,724	3,326
Supplies	439	430	21	409
Total Students	<u>58,841</u>	<u>55,127</u>	<u>39,754</u>	<u>15,373</u>
General Administration				
Personnel Services	94,819	97,107	96,407	700
Employee Benefits	30,363	30,712	29,704	1,008
Professional & Tech Services	11,875	10,948	10,851	97
Other Purchased Services	946	2,435	2,434	1
Supplies	1,150	2,753	2,751	2
Total General Administration	<u>139,153</u>	<u>143,955</u>	<u>142,147</u>	<u>1,808</u>
School Administration				
Personnel Services	72,821	72,821	72,821	0
Employee Benefits	17,187	17,188	17,186	2
Total School Administration	<u>90,008</u>	<u>90,009</u>	<u>90,007</u>	<u>2</u>
Central Services				
Personnel Services	40,698	13,500	13,500	0
Employee Benefits	13,832	4,170	4,167	3
Other Purchased Services	7,500	44,485	44,485	0
Supplies	2,000	2,275	2,224	51
Total Central Service	<u>\$ 64,030</u>	<u>\$ 64,430</u>	<u>\$ 64,376</u>	<u>\$ 54</u>

State of New Mexico
Elida Municipal School
 General Fund-Operational-11000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Operation of Plant				
Personnel Services	\$ 69,609	\$ 70,234	\$ 69,234	\$ 1,000
Employee Benefits	30,498	30,507	29,936	571
Purchased Property Services	102,219	99,731	65,981	33,750
Other Purchased Services	55,094	55,094	55,094	0
Supplies	27,951	28,228	26,626	1,602
Total Operation of Plant	<u>285,371</u>	<u>283,794</u>	<u>246,871</u>	<u>36,923</u>
Other				
Other Purchased Services	2,319	2,319	0	2,319
Total Other	<u>2,319</u>	<u>2,319</u>	<u>0</u>	<u>2,319</u>
Total Support Services	<u>639,722</u>	<u>639,634</u>	<u>583,155</u>	<u>56,479</u>
Food Service Operations				
Personnel Services	31,000	31,244	30,894	350
Employee Benefits	17,232	17,251	14,590	2,661
Total Food Service Operations	<u>48,232</u>	<u>48,495</u>	<u>45,484</u>	<u>3,011</u>
Total Expenditures	<u>1,719,625</u>	<u>1,723,664</u>	<u>1,629,729</u>	<u>93,935</u>
Excess (Deficiency) of Revenues Over Expenditures	(79,260)	(83,299)	3,093	86,392
Cash Balance Beginning of Year	<u>83,372</u>	<u>83,372</u>	<u>83,372</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,112</u>	<u>\$ 73</u>	<u>\$ 86,465</u>	<u>\$ 86,392</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,093	
Net Change in Taxes Receivables			161	
Net Change in Account Payables			4,462	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 7,716</u>	

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

State of New Mexico
Elida Municipal School
 General Fund-Teacherage-12000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Rents	\$ 13,800	\$ 13,800	\$ 13,300	\$ (500)
Miscellaneous	0	0	31	31
Total Revenues	<u>13,800</u>	<u>13,800</u>	<u>13,331</u>	<u>(469)</u>
Expenditures				
Support Services				
Operation of Plant				
Purchased Property Services	5,000	6,008	5,658	350
Supplies	10,000	5,396	5,395	1
Supply Assets	12,007	9,859	605	9,254
Total Operation of Plant	<u>27,007</u>	<u>21,263</u>	<u>11,658</u>	<u>9,605</u>
Total Support Services	<u>27,007</u>	<u>21,263</u>	<u>11,658</u>	<u>9,605</u>
Total Expenditures	<u>27,007</u>	<u>21,263</u>	<u>11,658</u>	<u>9,605</u>
Excess (Deficiency) of Revenues Over Expenditures	(13,207)	(7,463)	1,673	9,136
Cash Balance Beginning of Year	<u>7,463</u>	<u>7,463</u>	<u>7,463</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (5,744)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 9,136</u></u>	<u><u>\$ 9,136</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,673	
Net Change in Accounts Payable			<u>(466)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 1,207</u></u>	

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

State of New Mexico
Elida Municipal School
 General Fund-Transportation-13000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 206,437	\$ 220,103	\$ 207,327	\$ (12,776)
Total Revenues	<u>206,437</u>	<u>220,103</u>	<u>207,327</u>	<u>(12,776)</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	27,757	20,665	20,663	2
Employee Benefits	11,599	5,347	5,123	224
Purchased Property Services	15,148	36,488	36,488	0
Other Purchased Services	130,543	143,826	143,825	1
Supplies	2,825	3,582	3,581	1
Total Student Transportation	<u>187,872</u>	<u>209,908</u>	<u>209,680</u>	<u>228</u>
Total Support Services	<u>187,872</u>	<u>209,908</u>	<u>209,680</u>	<u>228</u>
Total Expenditures	<u>187,872</u>	<u>209,908</u>	<u>209,680</u>	<u>228</u>
Excess (Deficiency) of Revenues Over Expenditures	18,565	10,195	(2,353)	(12,548)
Cash Balance Beginning of Year	<u>2,353</u>	<u>2,353</u>	<u>2,353</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 20,918</u>	<u>\$ 12,548</u>	<u>\$ 0</u>	<u>\$ (12,548)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (2,353)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,353)</u>	

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

State of New Mexico
Elida Municipal School
 General Fund-Instructional Materials-14000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 17,889	\$ 17,889	\$ 8,221	\$ (9,668)
Total Revenues	<u>17,889</u>	<u>17,889</u>	<u>8,221</u>	<u>(9,668)</u>
Expenditures				
Instruction				
Supplies	<u>11,711</u>	<u>13,377</u>	<u>11,711</u>	<u>1,666</u>
Total Instruction	<u>11,711</u>	<u>13,377</u>	<u>11,711</u>	<u>1,666</u>
Total Expenditures	<u>11,711</u>	<u>13,377</u>	<u>11,711</u>	<u>1,666</u>
Excess (Deficiency) of Revenues Over Expenditures	6,178	4,512	(3,490)	(8,002)
Cash Balance Beginning of Year	<u>6,910</u>	<u>6,910</u>	<u>6,910</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 13,088</u>	<u>\$ 11,422</u>	<u>\$ 3,420</u>	<u>\$ (8,002)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,490)	
Net Change in Accounts Payable			<u>277</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,213)</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 31,824	\$ 50,250	\$ 32,383	\$ (17,867)
Total Revenues	<u>31,824</u>	<u>50,250</u>	<u>32,383</u>	<u>(17,867)</u>
Expenditures				
Instruction				
Personnel Services	14,901	22,677	14,900	7,777
Employee Benefits	1,178	1,828	1,149	679
Professional & Tech Services	398	398	0	398
Other Purchased Services	0	0	0	
Supplies	0	10,000	6,151	3,849
Total Instruction	<u>16,477</u>	<u>34,903</u>	<u>22,200</u>	<u>12,703</u>
Total Expenditures	<u>16,477</u>	<u>34,903</u>	<u>22,200</u>	<u>12,703</u>
Excess (Deficiency) of Revenues Over Expenditures	15,347	15,347	10,183	(5,164)
Cash Balance Beginning of Year	<u>(15,347)</u>	<u>(15,347)</u>	<u>(15,347)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,164)</u>	<u>\$ (5,164)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 10,183	
Net Change in Due from Grantor			<u>(10,183)</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
Elida Municipal School
Special Revenue Fund-Wind Farm Projects-29134
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Sources	\$ 280,000	\$ 430,000	\$ 432,665	\$ 2,665
Total Revenues	<u>280,000</u>	<u>430,000</u>	<u>432,665</u>	<u>2,665</u>
Expenditures				
Instruction				
Personnel Services	47,148	76,920	69,817	7,103
Employee Benefits	4,907	24,037	22,108	1,929
Supplies	104,087	170,003	170,002	1
Fixed Assets	0	0	4,127	(4,127)
Supply Assets	169,179	197,808	11,065	186,743
Total Instruction	<u>325,321</u>	<u>468,768</u>	<u>277,119</u>	<u>191,649</u>
Support Services				
Student Transportation				
Personnel Services	7,000	5,502	5,500	2
Employee Benefits	2,607	3,994	1,704	2,290
Total Student Transportation	<u>9,607</u>	<u>9,496</u>	<u>7,204</u>	<u>2,292</u>
Total Support Services	<u>9,607</u>	<u>9,496</u>	<u>7,204</u>	<u>2,292</u>
Total Expenditures	<u>334,928</u>	<u>478,264</u>	<u>284,323</u>	<u>193,941</u>
Excess (Deficiency) of Revenues Over Expenditures	(54,928)	(48,264)	148,342	196,606
Cash Balance Beginning of Year	<u>64,751</u>	<u>64,751</u>	<u>64,751</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,823</u>	<u>\$ 16,487</u>	<u>\$ 213,093</u>	<u>\$ 196,606</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 148,342	
Net Change in Accounts Payable			<u>(6,382)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 141,960</u>	

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

State of New Mexico
Elida Municipal School
Statement of Fiduciary Assets and Liabilities-Agency Fund
June 30, 2016

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ 22,182
Total Assets	<u>\$ 22,182</u>
Liabilities	
Deposits Held for Others	\$ 22,182
Total Liabilities	<u>\$ 22,182</u>

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

Summary of Significant Accounting Policies

The financial statements of the Elida Municipal School (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)(12000)(13000)(14000)

The General Fund consist of four 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 second is the Teacherage fund of the District and accounts for rental properties that are rented to teachers and administrators that work at the school. 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.

Title I (24101). To account for a program funded by a Federal grant to supplement the regular instructional program for educationally deprived students. Funding authorized by the Elementary and Secondary Act of 1965, Chapter I of Title I, as amended, Public Laws 100-297, 20 U.S.C. 2701. The fund was created by the authority of federal grant provisions.

Wind Farm Projects (29134). To account for revenue from the wind farm in lieu of property taxes. The fund was created by definition.

Capital Projects

Special Capital Outlay-State (31400). To account for a state grant to reimburse the District for approved capital projects.

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

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.

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, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows or resources, liabilities and deferred inflows or 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

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.

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

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, Capital Projects and Debt Service 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.
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 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	30-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	5-30 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.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

Long-Term Liabilities include bonds, pension liabilities and compensated absences that are paid for over several years. Long-Term Liabilities are included in the government wide financial statements but not in the fund financial statements. Only the current portion due within 30 days is included in the fund financial statements. The District does not have any activity in long-term liabilities.

Restricted Net Position

For the government-wide statement of net position, net position are reported as restricted when constraints placed on net position 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 represents assets that are other than cash such as inventory.

Restricted fund balance includes amounts that have constraints placed on their use that are (a) externally imposed by grantors, laws or regulation of other governments or (b) imposed by enabling legislation.

Committed fund balance is a classification for governmental fund balance reporting that includes amounts that can only be used for specific purposes pursuant to constraints imposed by law and require a formal action of the government's highest level of decision-making authority.

Assigned fund balance is a classification for governmental fund balance reporting that includes amounts that the governmental entity intends to use for specific purposes.

Unassigned fund balance indicates that portion of fund equity which is available for budgeting in future periods.

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

The District reports deferred revenues on its Statement of Net Position and Fund Balance Sheet. Deferred revenues arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the District has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized. Deferred revenues also occur in the fund financial statements when revenue is earned but is not available. The revenue becomes available if received within 30 days of the fiscal year end.

Compensated Absences

The District permits the administrative and non-administrative employees to accumulate earned but unused vacation and sick leave, however, the accrued amounts are not monetarily compensated to employees, and therefore, no accrual for compensated absences is recorded.

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	Type
Elida Municipal School	\$ 263,979	\$ 124,804	Checking-Non-Int.
Elida Municipal School-Activity	22,756	22,182	Checking-Interest
Elida Municipal School	239,165	239,165	Checking-Interest
TOTAL Deposited	<u>525,900</u>	<u>\$ 386,151</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	275,900		
50% collateral requirement	137,950		
Pledged securities	<u>310,735</u>		
Over (Under) requirement	<u>\$ 172,785</u>		

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

The following securities are pledged at Stone Community Bank:

<u>Description</u>	<u>Number</u>	<u>Amount</u>	<u>Maturity Date</u>	<u>Place of Safe Keeping</u>
Alamogordo NM Muni School Dis	011464JF2	56,234	08/01/2018	TIB Irving TX
FNMA Qtrly Call Step	3136G1GM5	100,000	03/27/2028	TIB Irving TX
Hatch Vly NM Muni SD #11 BQ	418839CN4	100,155	08/01/2016	TIB Irving TX
Dona Ana Co NM Cmnty Clg Dist	257578EL4	54,346	08/01/2015	TIB Irving TX
		<u>\$ 310,735</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	275,900
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 525,900</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 none of the District's bank balance of \$525,900 was exposed to custodial credit risk.

B. Receivables

Following is a schedule of receivables as of June 30, 2016:

	General Fund 11000	Title I 24101	Special Capital Outlay-State 31400	Senate Bill Nine 31700
Property Taxes Available	\$ 247	\$ 0	\$ 0	\$ 1,107
Due From Federal State	0	5,164	0	0
	0	0	29,986	0
	<u>\$ 247</u>	<u>\$ 5,164</u>	<u>\$ 29,986</u>	<u>\$ 1,107</u>
			Other Governmental Funds	Total
Property Taxes Available			0	\$ 1,354
Due From Federal State			2,042	7,206
			999	30,985
			<u>\$ 3,041</u>	<u>\$ 39,545</u>

C. Interfund Receivables, Payables and Transfers

Interfund Balances during the year ending June 30, 2016 were as follows:

Due to General Fund from:	
Major Funds	
Title I - 24101	\$ 5,164
Special Capital Outlay-State-31400	29,986
Other Governmental Funds	3,041
Totals	<u>\$ 38,191</u>

D. Capital Assets

Capital Assets Balances and Activity for the fiscal year end is as follows:

	Beginning Balance 6/30/15	Additions	Adjustment	Ending Balance 6/30/16
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 9,300	\$ 0	\$ 0	\$ 9,300
Total Capital Assets not being Depreciated	<u>9,000</u>	<u>0</u>	<u>0</u>	<u>9,300</u>
Capital Assets, being Depreciated				
Buildings & Improvements	5,801,040	24,127	35,741	5,789,426
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>411,279</u>	<u>35,741</u>	<u>(35,741)</u>	<u>482,761</u>
Total Capital Assets being Depreciated	<u>5,925,333</u>	<u>59,868</u>	<u>0</u>	<u>6,272,187</u>
Total Capital Assets	<u>\$ 5,934,333</u>	<u>\$ 59,868</u>	<u>\$ 0</u>	<u>\$ 6,281,487</u>
Less Accumulated Depreciation				
Buildings & Improvements	\$ 3,541,721	\$ 103,509	\$ 0	\$ 3,645,230
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>159,202</u>	<u>46,629</u>	<u>0</u>	<u>205,831</u>
Total Accumulated Depreciation	<u>3,904,742</u>	<u>150,138</u>	<u>0</u>	<u>3,851,061</u>
Capital Assets, net	<u>\$ 2,029,591</u>	<u>\$ (90,270)</u>	<u>\$ 0</u>	<u>\$ 2,430,426</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 150,138
Total Depreciation Expenses	<u>\$ 150,138</u>

E. Commitments

The District has no construction commitments on June 30, 2016.

F. 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.

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$155,461 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 \$2,608,395 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 0.04027 percent, which was a decrease of 0.00022 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$201,585. At the June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

State of New Mexico
Elida Municipal School
Notes to the Financial Statements
June 30, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ (48,357)
Changes of assumptions	89,717	0
Net difference between projected and actual earnings on pension plan investments	0	(11,742)
Changes in proportion and differences between the District's contributions and proportionate share of contributions	56,463	(30,419)
District's contributions subsequent to the measurement date	155,461	0
Total	<u>\$ 301,641</u>	<u>\$ (90,518)</u>

\$155,461 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:

Year ended June 30:	
2017	\$ (2,909)
2018	459
2019	21,864
2020	36,248
Total	<u>\$ 55,662</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 District's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Districts' proportionate share of the net pension liability	\$ 3,509,770	\$ 2,608,395	\$ 1,851,146

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, 2014 and 2013 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.

G. 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 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 statutes 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, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$22,659, \$23,176, and \$21,855 respectively, which equal the required contributions for each year.

H. 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 included on each Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

I. 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.

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

K. Surety Bond

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

L. Subsequent Events

Subsequent events were evaluated through October 7, 2016, which is the date the financial statements were available to be issued.

M. Joint Powers Agreements

A joint powers agreement was entered into with the Regional Education Cooperative No. 6 (REC). The purpose of the agreement is to allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the United States Department of Education under the Education of the Handicapped Act, Part B, PL 94-142 among others.

There are ten schools that participate in the REC, they are Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, San Jon, and Texico. The agreement became effective on July 1, 1995 and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The financial statements for the REC were prepared by another IPA. The audit report is available at the REC located at 1500 South Ave K, Station 9, Portales, New Mexico 88130.

N. Budget Violations

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

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Senate Bill Nine				
Support Services	\$ 414	\$ 414	\$ 459	\$ (45)

**Supplemental Information Related to
Major Funds**

State of New Mexico
Elida Municipal School
 Capital Project Fund-Special Capital Outlay-State-31400
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 30,000	\$ 0	\$ (30,000)
Total Revenues	<u>0</u>	<u>30,000</u>	<u>0</u>	<u>(30,000)</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	30,000	29,986	14
Total Capital Outlay	<u>0</u>	<u>30,000</u>	<u>29,986</u>	<u>14</u>
Total Expenditures	<u>0</u>	<u>30,000</u>	<u>29,986</u>	<u>14</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(29,986)	(29,986)
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>\$ (29,986)</u>	<u>\$ (29,986)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (29,986)	
Net Change in Due from Grantor			<u>29,986</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
Elida Municipal School
 Capital Project Fund-Senate Bill Nine-31700
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 44,000	\$ 44,000	\$ 44,186	\$ 186
Interest Income	0	0	28	28
State Grant	0	10,956	10,956	0
Total Revenues	<u>44,000</u>	<u>54,956</u>	<u>55,170</u>	<u>214</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	414	414	459	(45)
Total General Administration	<u>414</u>	<u>414</u>	<u>459</u>	<u>(45)</u>
Total Support Services	<u>414</u>	<u>414</u>	<u>459</u>	<u>(45)</u>
Capital Outlay				
Maintenance	95,022	95,022	4,615	90,407
Supplies	32,447	47,017	16,783	30,234
Fixed Assets	0	0	25,755	(25,755)
Total Capital Outlay	<u>127,469</u>	<u>142,039</u>	<u>47,153</u>	<u>94,886</u>
Total Expenditures	<u>127,883</u>	<u>142,453</u>	<u>47,612</u>	<u>94,841</u>
Excess (Deficiency) of Revenues Over Expenditures	(83,883)	(87,497)	7,558	95,055
Cash Balance Beginning of Year	<u>46,780</u>	<u>46,780</u>	<u>46,780</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (37,103)</u></u>	<u><u>\$ (40,717)</u></u>	<u><u>\$ 54,338</u></u>	<u><u>\$ 95,055</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 7,558	
Net Change in Receivables			751	
Net Change in Accounts Payable			(850)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 7,459</u></u>	

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

**Supplemental Information Related to
Nonmajor Funds**

Nonmajor Special Revenue 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).

IDEA B Entitlement (24106). To account for funds for free appropriate public education to all children with disabilities. The program is funded by Federal Government and pass through the State Department of Education under the Individuals with Disabilities Education Act, Part B, Sections 611-617, and Part O, Section 674 as amended, 20 U.S.C. 1711-1417 and 1420.

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.

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).

Rural Education Achievement Program (25233). To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Dual Credit Instructional Materials (27103). To provide funding to the District to purchase college books for students attending college classes and obtaining dual credits. The fund was created by grant provisions.

GO Student 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.

New Mexico Reads to Lead (27114). To account for funds provided by a state grant to teach reading to students grades K-3. Funding provides reading coaches, supports intervention and professional development. 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.

STEM Teacher Initiative (27181). To account for a state grant used to equipment a science classroom. The fund was created by the authority of state grant provisions.

Nonmajor Special Revenue Funds

NM Grown Fruit & Vegetables (27183). To account for revenues and expenditures from a state grant provided for the purchase of NM grown fruit and vegetables. The fund was created by state grant provisions.

Nonmajor Capital Projects Funds

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

Nonmajor Debt Service Funds

Debt Service (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.

State of New Mexico
Elida Municipal School
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	<u>Special Revenue Funds</u>		
	<u>Food Service 21000</u>	<u>Athletics 22000</u>	<u>IDEA B Entitlement 24106</u>
Assets			
Cash and Cash Equivalents	\$ 22,397	\$ 464	\$ 0
Due from Grantor	0	0	0
Inventory	2,977	0	0
Total Assets	<u>\$ 25,374</u>	<u>\$ 464</u>	<u>\$ 0</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 365	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	<u>365</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	2,977	0	0
Restricted for			
Special Revenue Funds	22,032	464	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balance	<u>25,009</u>	<u>464</u>	<u>0</u>
Total Liabilities and Fund Balance	<u>\$ 25,374</u>	<u>\$ 464</u>	<u>\$ 0</u>

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

State of New Mexico
Elida Municipal School
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	IDEA Preschool 24109	Improving Teacher Quality 24154	Rural Education Achievement Program 25233
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Due from Grantor	2,042	0	0
Inventory	0	0	0
Total Assets	\$ 2,042	\$ 0	\$ 0
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	2,042	0	0
Total Liabilities	2,042	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
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 2,042	\$ 0	\$ 0

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

State of New Mexico
Elida Municipal School
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	Dual Credit Instructional Materials 27103	GO Student Library 27107	New Mexico Reads to Lead 27114
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Due from Grantor	0	999	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 999	\$ 0
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	999	0
Total Liabilities	0	999	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
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 999	\$ 0

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

State of New Mexico
Elida Municipal School
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Funds		
	Pre-K 27149	STEM 27181	NM Grown Fruit & Vegetables 27183
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Due from Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 0
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	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
Total Fund Balance	0	0	0
Total Liabilities and Fund Balance	\$ 0	\$ 0	\$ 0

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

State of New Mexico
Elida Municipal School
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	<u>Capital Project</u>		
	Bond Building 31100	Debt Service 41000	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 2,615	\$ 10,232	\$ 35,708
Due from Grantor	0	0	3,041
Inventory	0	0	2,977
Total Assets	<u>\$ 2,615</u>	<u>\$ 10,232</u>	<u>\$ 41,726</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 365
Interfund Balances	0	0	3,041
Total Liabilities	<u>0</u>	<u>0</u>	<u>3,406</u>
Fund Balance			
Nonspendable-Inventory	0	0	2,977
Restricted for			
Special Revenue Funds	0	0	22,496
Capital Projects	2,615	0	2,615
Debt Service	0	10,232	10,232
Total Fund Balance	<u>2,615</u>	<u>10,232</u>	<u>38,320</u>
Total Liabilities and Fund Balance	<u>\$ 2,615</u>	<u>\$ 10,232</u>	<u>\$ 41,726</u>

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

State of New Mexico
Elida Municipal School
 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	IDEA B Entitlement 24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	8,368	10,068	0
Federal Grants	57,213	0	14,056
State & Local Grants	0	0	0
Interest	0	0	0
Total Revenues	<u>65,581</u>	<u>10,068</u>	<u>14,056</u>
Expenditures			
Current			
Instruction	0	10,114	14,056
Support Services			
Instruction	0	0	0
Food Services Operations	65,735	0	0
Total Expenditures	<u>65,735</u>	<u>10,114</u>	<u>14,056</u>
Excess (Deficiency) of Revenues Over Expenditures	(154)	(46)	0
Fund Balances at Beginning of Year	<u>25,163</u>	<u>510</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 25,009</u>	<u>\$ 464</u>	<u>\$ 0</u>

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

State of New Mexico
Elida Municipal School
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	IDEA Preschool 24109	Improving Teacher Quality 24154	Rural Education Achievement Program 25233
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	3,377	1,264	20,993
State & Local Grants	0	0	0
Interest	0	0	0
Total Revenues	<u>3,377</u>	<u>1,264</u>	<u>20,993</u>
Expenditures			
Current			
Instruction	3,377	1,264	20,993
Support Services			
Instruction	0	0	0
Food Services Operations	0	0	0
Total Expenditures	<u>3,377</u>	<u>1,264</u>	<u>20,993</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at 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
Elida Municipal School
 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	New Mexico Reads to Lead 27114
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	0	0	0
State & Local Grants	990	2,073	45,170
Interest	0	0	0
Total Revenues	<u>990</u>	<u>2,073</u>	<u>45,170</u>
Expenditures			
Current			
Instruction	990	0	45,170
Support Services			
Instruction	0	2,073	0
Food Services Operations	0	0	0
Total Expenditures	<u>990</u>	<u>2,073</u>	<u>45,170</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at 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
Elida Municipal School
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 For the Year Ended June 30, 2016

	Special Revenue Funds		
	Pre-K 27149	STEM 27181	NM Grown Fruit & Vegetables 27183
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
Federal Grants	0	0	0
State & Local Grants	17,120	12,150	120
Interest	0	0	0
Total Revenues	<u>17,120</u>	<u>12,150</u>	<u>120</u>
Expenditures			
Current			
Instruction	17,120	12,150	0
Support Services			
Instruction	0	0	0
Food Services Operations	0	0	120
Total Expenditures	<u>17,120</u>	<u>12,150</u>	<u>120</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at 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
Elida Municipal School
 Nonmajor Funds
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balance
 For the Year Ended June 30, 2016

	Capital Project		
	Bond Building 31100	Debt Service 41000	Total
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	18,436
Federal Grants	0	0	96,903
State & Local Grants	0	0	77,623
Interest	13	9	22
Total Revenues	<u>13</u>	<u>9</u>	<u>192,984</u>
Expenditures			
Current			
Instruction	0	0	125,234
Support Services			
Instruction	0	0	2,073
Food Services Operations	0	0	65,855
Total Expenditures	<u>0</u>	<u>0</u>	<u>193,162</u>
Excess (Deficiency) of Revenues Over Expenditures	13	9	(178)
Fund Balances at Beginning of Year	<u>2,602</u>	<u>10,223</u>	<u>38,498</u>
Fund Balance End of Year	<u>\$ 2,615</u>	<u>\$ 10,232</u>	<u>\$ 38,320</u>

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

State of New Mexico
Elida Municipal School
Special Revenue Fund-Food Service-21000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 10,000	\$ 10,000	\$ 8,368	\$ (1,632)
Federal Grant	46,000	46,000	53,391	7,391
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>61,759</u>	<u>5,759</u>
Expenditures				
Food Service Operations				
Supplies	68,503	68,503	59,944	8,559
Total Food Service Operations	<u>68,503</u>	<u>68,503</u>	<u>59,944</u>	<u>8,559</u>
Total Expenditures	<u>68,503</u>	<u>68,503</u>	<u>59,944</u>	<u>8,559</u>
Excess (Deficiency) of Revenues Over Expenditures	(12,503)	(12,503)	1,815	14,318
Cash Balance Beginning of Year	<u>20,582</u>	<u>20,582</u>	<u>20,582</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,079</u>	<u>\$ 8,079</u>	<u>\$ 22,397</u>	<u>\$ 14,318</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,815	
Net Change in Inventory			(1,604)	
Net Change in Accounts Payable			<u>(365)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (154)</u>	

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

State of New Mexico
Elida Municipal School
Special Revenue Fund-Athletics-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 11,550	\$ 11,550	\$ 10,068	\$ (1,482)
Total Revenues	<u>11,550</u>	<u>11,550</u>	<u>10,068</u>	<u>(1,482)</u>
Expenditures				
Instruction				
Other Purchased Services	5,550	6,115	5,960	155
Supplies	<u>6,000</u>	<u>5,435</u>	<u>4,154</u>	<u>1,281</u>
Total Instruction	<u>11,550</u>	<u>11,550</u>	<u>10,114</u>	<u>1,436</u>
Total Expenditures	<u>11,550</u>	<u>11,550</u>	<u>10,114</u>	<u>1,436</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(46)	(46)
Cash Balance Beginning of Year	<u>510</u>	<u>510</u>	<u>510</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 510</u>	<u>\$ 510</u>	<u>\$ 464</u>	<u>\$ (46)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (46)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (46)</u>	

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

State of New Mexico
Elida Municipal School
Special Revenue Fund-IDEA B Entitlement-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 25,206	\$ 58,334	\$ 14,056	\$ (44,278)
Total Revenues	<u>25,206</u>	<u>58,334</u>	<u>14,056</u>	<u>(44,278)</u>
Expenditures				
Instruction				
Personnel Services	17,921	44,254	11,348	32,906
Employee Benefits	<u>7,285</u>	<u>14,080</u>	<u>2,708</u>	<u>11,372</u>
Total Instruction	<u>25,206</u>	<u>58,334</u>	<u>14,056</u>	<u>44,278</u>
Total Expenditures	<u>25,206</u>	<u>58,334</u>	<u>14,056</u>	<u>44,278</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
Elida Municipal School
Special Revenue Fund- IDEA Preschool-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,865	\$ 3,606	\$ 1,335	\$ (2,271)
Total Revenues	<u>1,865</u>	<u>3,606</u>	<u>1,335</u>	<u>(2,271)</u>
Expenditures				
Instruction				
Professional & Tech Services	865	309	80	229
Supplies	<u>1,000</u>	<u>3,297</u>	<u>3,297</u>	<u>0</u>
Total Instruction	<u>1,865</u>	<u>3,606</u>	<u>3,377</u>	<u>229</u>
Total Expenditures	<u>1,865</u>	<u>3,606</u>	<u>3,377</u>	<u>229</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,042)	(2,042)
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>\$ (2,042)</u>	<u>\$ (2,042)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,042)	
Net Change in Due from Grantor			<u>2,042</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
Elida Municipal School
Special Revenue Fund-Improving Teacher Quality-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 2,728	\$ 5,778	\$ 1,264	\$ (4,514)
Total Revenues	<u>2,728</u>	<u>5,778</u>	<u>1,264</u>	<u>(4,514)</u>
Expenditures				
Instruction				
Professional & Tech Services	2,728	5,778	1,264	4,514
Total Instruction	<u>2,728</u>	<u>5,778</u>	<u>1,264</u>	<u>4,514</u>
Total Expenditures	<u>2,728</u>	<u>5,778</u>	<u>1,264</u>	<u>4,514</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
Elida Municipal School
Special Revenue Fund-Rural Education Achievement Program-25233
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 23,745	\$ 23,745	\$ 20,993	\$ (2,752)
Total Revenues	<u>23,745</u>	<u>23,745</u>	<u>20,993</u>	<u>(2,752)</u>
Expenditures				
Instruction				
Supplies	23,745	23,745	20,993	2,752
Total Instruction	<u>23,745</u>	<u>23,745</u>	<u>20,993</u>	<u>2,752</u>
Total Expenditures	<u>23,745</u>	<u>23,745</u>	<u>20,993</u>	<u>2,752</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
Elida Municipal School
Special Revenue Fund-Dual Credit Instructional Materials-27103
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,165	\$ 990	\$ (175)
Total Revenues	<u>0</u>	<u>1,165</u>	<u>990</u>	<u>(175)</u>
Expenditures				
Instruction				
Supplies	0	1,165	990	175
Total Instruction	<u>0</u>	<u>1,165</u>	<u>990</u>	<u>175</u>
Total Expenditures	<u>0</u>	<u>1,165</u>	<u>990</u>	<u>175</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
Elida Municipal School
Special Revenue Fund-GO Student Library-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 13,712	\$ 13,712	\$ 6,170	\$ (7,542)
Total Revenues	<u>13,712</u>	<u>13,712</u>	<u>6,170</u>	<u>(7,542)</u>
Expenditures				
Instruction				
Supplies	<u>8,616</u>	<u>8,616</u>	<u>2,073</u>	<u>6,543</u>
Total Instruction	<u>8,616</u>	<u>8,616</u>	<u>2,073</u>	<u>6,543</u>
Total Expenditures	<u>8,616</u>	<u>8,616</u>	<u>2,073</u>	<u>6,543</u>
Excess (Deficiency) of Revenues Over Expenditures	5,096	5,096	4,097	(999)
Cash Balance Beginning of Year	<u>(5,096)</u>	<u>(5,096)</u>	<u>(5,096)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (999)</u>	<u>\$ (999)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 4,097	
Net Change in Due from Grantor			<u>(4,097)</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
Elida Municipal School
Special Revenue Fund-NM Reads to Lead-27114
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 50,000	\$ 50,000	\$ 45,170	\$ (4,830)
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>45,170</u>	<u>(4,830)</u>
Expenditures				
Instruction				
Personnel Services	31,302	31,302	30,902	400
Employee Benefits	4,360	4,762	4,702	60
Professional & Tech Services	4,953	4,388	84	4,304
Supplies	9,385	9,548	9,482	66
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>45,170</u>	<u>4,830</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>45,170</u>	<u>4,830</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
Elida Municipal School
Special Revenue Fund-Pre-K-27149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 34,062	\$ 34,062	\$ 17,120	\$ (16,942)
Total Revenues	<u>34,062</u>	<u>34,062</u>	<u>17,120</u>	<u>(16,942)</u>
Expenditures				
Instruction				
Personnel Services	15,607	15,607	11,799	3,808
Employee Benefits	7,647	7,648	2,816	4,832
Professional & Tech Services	0	0	0	0
Other Purchased Services	900	900	0	900
Supplies	9,908	9,907	2,505	7,402
Total Instruction	<u>34,062</u>	<u>34,062</u>	<u>17,120</u>	<u>16,942</u>
Total Expenditures	<u>34,062</u>	<u>34,062</u>	<u>17,120</u>	<u>16,942</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			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
Elida Municipal School
Special Revenue Fund-STEM-27181
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 12,150	\$ 12,150	\$ 0
Total Revenues	<u>0</u>	<u>12,150</u>	<u>12,150</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	10,000	10,000	0
Employee Benefits	<u>0</u>	<u>2,150</u>	<u>2,150</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>12,150</u>	<u>12,150</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,150</u>	<u>12,150</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
Elida Municipal School
Special Revenue Fund-NM Grown Fruit & Vegetables-27183
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 124	\$ 120	\$ (4)
Total Revenues	<u>0</u>	<u>124</u>	<u>120</u>	<u>(4)</u>
Expenditures				
Food Services Operations				
Supplies	0	124	120	4
Total Food Services Operations	<u>0</u>	<u>124</u>	<u>120</u>	<u>4</u>
Total Expenditures	<u>0</u>	<u>124</u>	<u>120</u>	<u>4</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
Elida Municipal School
 Capital Projects Fund-Bond Building-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 13	\$ 13
Total Revenues	<u>0</u>	<u>0</u>	<u>13</u>	<u>13</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	0	0	0	0
Total Capital Outlay	<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	0	0	13	13
Cash Balance Beginning of Year	<u>2,602</u>	<u>2,602</u>	<u>2,602</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,602</u>	<u>\$ 2,602</u>	<u>\$ 2,615</u>	<u>\$ 13</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 13</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 13</u>	

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

State of New Mexico
Elida Municipal School
Debt Service Fund-41000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 0	\$ 0	\$ 9	\$ 9
Total Revenues	<u>0</u>	<u>0</u>	<u>9</u>	<u>9</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	0	0	0	0
Total General Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Debt Service				
Principal	0	0	0	0
Interest	0	0	0	0
Total Debt 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	0	0	9	9
Cash Balance Beginning of Year	<u>10,223</u>	<u>10,223</u>	<u>10,223</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,223</u>	<u>\$ 10,223</u>	<u>\$ 10,232</u>	<u>\$ 9</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 9	
Net Change in Receivables			0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 9</u>	

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

Required Supplemental Information

State of New Mexico
Elida Municipal School
 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	0.04005%	0.04027%
District's proportionate share of the net pension liability	\$ 2,228,081	\$ 2,608,395
District's covered-employee payroll	\$ 1,076,261	\$ 1,099,500
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	207.02%	237.23%
Plan fiduciary net position as a percentage of the total pension	66.54%	63.97%

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 159,244	\$ 181,598
Contributions in relation to the contractually required contribution	\$ 159,244	\$ 159,111
Contribution deficiency (excess)	0	22,487
District's covered-employee payroll	\$ 1,076,261	\$ 1,099,500
Contributions as a percentage of covered-employee payroll	14.80%	16.52%

* 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.

State of New Mexico

Elida Municipal School

Notes to Required Supplementary Information for Pension Plan

For the Year Ended June 30, 2016

Changes of benefit terms. The COLA and retirement eligibility benefits changes in recent years are described in the Benefits Provided subsection of the financial statement note disclosure General Information on the Pension Plan.

Changes of assumptions.

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 12, 2015, 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 for
 - 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

Fiduciary Fund

Activity Trust Fund

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

State of New Mexico
Elida Municipal School
Agency Funds - Activity
Statement of Fiduciary Assets and Liabilities-Agency Fund
For the Year Ended June 30, 2016

	Beginning Balance 6/30/15	Additions	Reductions	Ending Balance 6/30/16
Assets				
Annual	\$ 2,046	\$ 5,246	\$ 5,518	\$ 1,774
Art	50	0	0	50
Baseball	4,416	0	160	4,256
Cheerleaders	1,003	0	304	698
Elementary Computers	266	0	12	254
FCCLA	2,482	544	570	2,456
FFA	8,158	20,208	27,466	900
Girls Basketball	0	1,840	973	867
Greenhouse	1,024	205	232	997
Miscellaneous	1,677	2	758	921
National Honor Society	1,635	5,594	4,729	2,500
FFA Food for All	0	2,841	2,175	666
Student Council	1,165	378	562	981
A+ Energy Grant	937	0	0	937
Zune	204	0	0	204
Football	1,478	0	0	1,478
Robotics	602	0	0	602
Track	193	3,830	3,026	997
Class of 2015	378	0	378	0
Class of 2016	464	238	671	30
Class of 2017	827	6,680	7,090	417
Class of 2018	0	296	100	196
Total Assets	<u>\$ 29,006</u>	<u>\$ 47,901</u>	<u>\$ 54,725</u>	<u>\$ 22,182</u>
Liabilities				
Deposits Held for Others	<u>\$ 29,006</u>	<u>\$ 47,901</u>	<u>\$ 54,725</u>	<u>\$ 22,182</u>
Total Liabilities	<u>\$ 29,006</u>	<u>\$ 47,901</u>	<u>\$ 54,725</u>	<u>\$ 22,182</u>

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

State of New Mexico
Elida Municipal School
Cash Reconciliations - All Funds
For the Year Ended June 30, 2016

		Beginning Cash Balance 6/30/15	Revenue	Expenditures	Adjustments/ Transfers/ Loans	Ending Cash Balance 6/30/16
Operational	11000	\$ 83,372	\$ 1,632,821	\$ 1,629,728	\$ 0	\$ 86,465
Teacherage	12000	7,463	13,331	11,657	0	9,137
Transportation	13000	2,353	207,327	209,680	0	0
Instructional Materials	14000	6,910	8,221	11,711	0	3,420
Food Service	21000	20,582	61,759	59,945	0	22,396
Athletics	22000	510	10,068	10,115	0	463
Agency Funds	23000	29,006	47,901	54,725	0	22,182
Federal Flowthrough	24000	(15,347)	49,038	40,896	0	(7,205)
Federal Direct	25000	0	20,993	20,993	0	0
State Flowthrough	27000	(5,096)	81,719	77,622	0	(999)
Local Grants	29000	64,751	432,665	284,323	0	213,093
Bond Building	31100	2,602	13	0	0	2,615
Special CO-State	31400	0	0	29,986	0	(29,986)
Senate Bill Nine	31700	46,780	55,171	47,613	0	54,338
Debt Service	41000	10,223	9	0	0	10,232
Total		\$ 254,109	\$ 2,621,036	\$ 2,488,994	\$ 0	\$ 386,151

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

State of New Mexico
Elida Municipal School
 Vendor Schedule
 For the Year Ended June 30, 2016

<i>RFB#/RFP# (If applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
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There were no vendors that met the reporting criteria for this entity for the Fiscal year ending June 30, 2016.

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 Elida Municipal School

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 Elida Municipal School (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 October 7, 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. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. 2014-001, 2014-002, 2016-001 and 2016-002


Compliance and Other Matters

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

The 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 Responses. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

 De'Ann Willoughby CPA PC

Clovis, New Mexico

October 7, 2016

Financial Statement Findings

Prior Year Audit Findings

		<u>Status</u>
2011-003	Payroll	Resolved
2011-007	PED Cash Report	Resolved
2014-001	Budget Violations	Repeated
2014-002	Cash Appropriations in Excess of Available Cash Balances	Repeated
2015-001	Certification of Inventory	Resolved

Current Year Audit Findings

2014-001 Budget Violations-Compliance and Internal Control-Significant Deficiency Condition

The District has maintained expenditures at the function level in which actual expenditures exceeded budgetary authority in the following funds:

<u>Major Funds</u>	<u>Budget</u>		<u>Actual</u>	<u>Over Budget</u>
	<u>Original</u>	<u>Final</u>		
Senate Bill Nine-31700				
Support Services	\$ <u>414</u>	\$ <u>414</u>	\$ <u>459</u>	\$ <u>(45)</u>

Management has made progress in resolving this finding.

Criteria

Sound financial management and state regulation 6.20.2.9 (A), NMAC and state statutes 22-8-5 through 22-8-12.2, NMSA 1978, require that budgets not be exceeded at the legal level of control. For School District's, the expenditure function is the legal level of control.

Cause

The District did not make the appropriate budgetary adjustments requests and transfers to the funds mentioned in the condition, which would alleviate over-expenditure within the function prior to the year end.

Effect

As a result, the District is in non compliance with New Mexico law, and the control established by the use of budgets has been compromised. Continued over-expenditure of budgeted balances may result in unnecessary usage of operating funds to absorb over-expenditures.

Recommendation

The District should establish a policy of budgetary review at year-end, and make the necessary budget adjustments.

Response

We will monitor the budget more closely and amend it as necessary.

The business manager is responsible for this finding and expects the issue to be resolved in the current fiscal year.

2014-002 Cash Appropriations in Excess of Available Cash Balances-Compliance & Internal Control-Significant Deficiency

Condition

The District maintained a deficit budget in excess of available cash balance in the Senate Bill Nine (31700) of \$(40,717).

Management has made progress in resolving 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 re-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 be required to supplement this budget deficit in this fund with cash reserves from other funds. This supplement may lead to financial difficulties and deplete the budget in other funds.

Cause

The District lacks a proper procedure to ensure that sufficient beginning cash balances exist to absorb budget deficits later in the fiscal year.

Recommendation

The District should review the budget for future years to insure that all funds have adequate budget authority for budgeted expenditures. Greater attention should be given to the budget monitoring process and the end of the year cash balance estimates.

Response

The District has implemented a policy whereby they will review and compare the June 30th reconciled cash balances in each fund to ensure that budgeted cash balances are sufficient for the fund's purposes. If this review reveals a that there is not sufficient cash to balance the budget, budget amendments will be made.

The business manager is responsible for this finding and has already developed a spreadsheet to compare the estimated cash balance to the audited cash balance and has amended the budget. The issue has been resolved.

2016-001 Payroll Issues-Compliance & Internal Control-Significant Deficiency Condition

(1) One of the 10 employees tested should have been paying into ERB and RHCA. The employee portion due to ERB for the fiscal year totaled \$1,399.87, employer portion due totaled \$2,463.07 for a grand total due to ERB of \$3,862.94. The employee portion due to RHCA for the fiscal year totaled \$177.20, employer portion due totaled \$354.40 for a grand total due to RHCA of \$531.60.

(2) Two of the 10 employees tested were not on the NMPSIA billing. The District should be at least be paying life insurance on these individuals.

Criteria

(3) Two of five tested new hire reporting were not filed timely and two of the five could not be determined if they were filed timely.

Effect

The District owes additional ERB and RHCA contributions which could include penalties and interest. If not corrected the employee will not receive the benefits earned. An employee's estate will not receive life insurance if the employee is deceased. There are penalties for not reporting new hires within 20 days.

Cause

Lack of supervision and review of payroll setup causes these errors.

Recommendation

The payroll setup must be reviewed at the beginning of the fiscal year and each time a new employee is added.

Response

We are in the process of reviewing each employee's setup. The issue has been corrected.

The business manager is responsible for this finding and expects the issue to be resolved in the current fiscal year.

2016-002 Receipt Books-Compliance and Internal Control-Significant Deficiency

Condition

Receipts are not always given to students. Food Service receipts are collected by the head cook and not turned into the central office for more than one week. Business manager handles receipts as well as entrees receipts into the general ledger.

Criteria

NMAC 6.20.2.11 and NMAC 6.20.2.14 describe internal controls for receipting money and the 24 hour deposit requirement.

Effect

Receipts could be misappropriated.

Cause

Personnel are lax in following the procedures in place.

Recommendation

All receipts should be brought to the treasurer in central office and receipted. The treasurer should agree receipts to money and prepare the deposit ticket. The superintendent should verify the deposit and take it to the bank once a week. The business manager entrees the receipts in the general ledger.

Response

We have implemented this process starting immediately.

The superintendent is responsible for the internal controls for cash receipts. Procedures will be corrected 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 October 7, 2016 with Tande Delk-Superintendent, Jenny Clemmons-Board Member, Susan Lambirth-Business Manager and De'Aun Willoughby, CPA.