

**STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS**

**AUDITED FINANCIAL STATEMENTS  
AND OTHER FINANCIAL INFORMATION  
JUNE 30, 2016**

*Woodard , Cowen & Co.*

Certified Public Accountants

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
JUNE 30, 2016

TABLE OF CONTENTS

Table of Contents	i – iii
Official Roster	iv
Independent Auditor’s Report	v – vii
FINANCIAL SECTION	
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Balance Sheet – Governmental Funds	3 – 4
Reconciliation of the Balance Sheet – All Governmental Funds to The Statement of Position	5
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	6 – 7
Reconciliation of the Statements of Revenue, Expenditures, and Changes In Fund Balance – All Governmental Funds to the Statement of Activities	8
Major Funds:	
Statement of Revenues, Expenditures – Budget (Non-GAAP) And Actual – General Fund	9
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Special Revenue Fund – Kindergarten – Three Plus	10
Statement of Fiduciary Assets and Liabilities – Agency Fund	11
NOTES TO FINANCIAL STATEMENTS	12 – 28
NON-MAJOR FUNDS	
Non – Major Fund Descriptions	29 – 30
Combining Balance Sheet—Non-Major Governmental Funds— Special Revenue Funds	31 – 34
Combining Statement of Revenues, Expenses and Changes in Fund Balance – Non-Major Governmental Funds—Special Revenue Funds	35 – 38
Cafeteria – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	39
Athletics – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	40
Title I – Special Revenue Fund Statement of Revenue & Expenditures— Budget (Non-GAAP) and Actual	41
Migrant Children – Special Revenue Fund Statement of Revenue & Expenditures— Budget (Non-GAAP) and Actual	42
Entitlement – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	43
New Mexico Autism Project – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	44
IDEA B Preschool – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	45
IDEA B Risk Pool – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	46
Teacher/Principal Training & Recruiting – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	47
Title XIX Medicaid 3/21 – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	48

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
JUNE 30, 2016

TABLE OF CONTENTS (continued)

NON-MAJOR FUNDS (continued)

Rural Education Achievement – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	49
Rural Vision – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	50
2009 Dual Credit Instruction – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	51
2012 G.O. Bond Library Fund – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	52
New Mexico Reads to Lead – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	53
Breakfast for Elementary – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	54
Social Workers for Middle Schools – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	55
ENMU Grants – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	56
State/Local Private Direct Grants – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	57
City/County Grants – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	58
Industrial Revenue Bonds – Special Revenue Fund Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual	59

MAJOR FUNDS

Combining Balance Sheet—General Fund	60
Statement of Revenue, Expenditures and Changes in Fund Balance—General Fund	61
Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual--General Fund—Operational	62
Statement of Revenue & Expenditures—Budget (Non GAAP) and Actual—General Fund—Transportation Fund	63
Statement of Revenue & Expenditures—Budget (Non-GAAP) and Actual—General Fund—Instructional Materials Fund	64
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Capital Projects Fund – Bond Building	65
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual- Capital Projects Fund – Senate Bill 9	66
Statement of Revenue & Expenditures – Budget (Non-GAAP) and Actual – Debt Service Fund – Debt Service	67

REQUIRED SUPPLEMENTAL INFORMATION

Schedule of Changes in Assets and Liabilities – Agency Fund	68
Schedule of Pledged Collateral	69
Bank Reconciliation	70 – 71
Bank Summary	72
Schedule of the Proportionate Share of Net Pension Liability	73
Schedule of Contributions	74
Notes Required to Supplementary Information	75
Vendor Schedule	76 – 77

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
JUNE 30, 2016

TABLE OF CONTENTS (continued)

COMPLIANCE SECTION

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	78 – 79
Prior Year Audit Findings	80
Schedule of Findings and Questioned Costs	81
Other Disclosures	82

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

OFFICIAL ROSTER

June 30, 2016

BOARD OF EDUCATION

Chad Hamill	President
Christopher Villa	Vice President
Lois Stephens	Secretary
Destry Moss	Member
Heidi Gray	Member

SCHOOL OFFICIALS

Rickey Williams	Superintendent
Cherryl Andrews	Director of Business & Finance

# Woodard, Cowen & Co.

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Timothy Keller  
New Mexico State Auditor  
School Board  
Hagerman Municipal Schools  
Hagerman, New Mexico

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Hagerman Municipal Schools (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's non-major governmental, fiduciary funds and the budgetary comparisons for all non-major 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 comparison statements 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 non-major governmental fund and the fiduciary funds of the District, as of June 30, 2016, and the respective changes in financial position, thereof and the respective budgetary comparisons statements for all non-major funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

The District has omitted the Management Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the omission of the Management Discussion and Analysis.

### *Other Information*

Accounting principles generally accepted in the United States of America require that the Schedule of Proportionate Share of the Net Pension Liability on page 73, the Schedule of Contributions on page 74, with the notes to the required supplementary information of page 75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to this required supplementary information in accordance with the auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

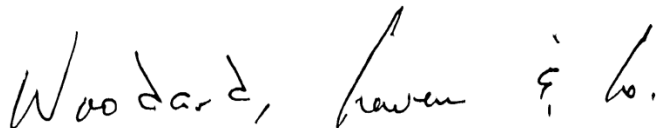
Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements and budgetary comparisons. The schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of changes in assets and liabilities – agency funds and the additional schedules listed as “required supplemental information” in the table of contents 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, except for the Vendor Listing on pages 76 and 77 of this report, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our opinion, the schedule of changes in assets and liabilities – agency funds and the additional schedules listed as “required supplemental information” in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Vendor Information schedule on pages 76 and 77 of this report has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2016 on our consideration of the District's internal control over financial reporting and 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.

A handwritten signature in black ink that reads "Woodward, Lewin & Co." The signature is written in a cursive, slightly slanted style.

Portales, New Mexico  
November 11, 2016



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
STATEMENT OF NET POSITION

June 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,935,847
Property Taxes Receivable	26,267
Due From Other Agencies	168,675
Inventory	<u>4,506</u>
Non-current assets:	
Capital assets, net	10,096,691
TOTAL ASSETS	<u>\$ 12,231,986</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Outflows of Resources from pensions	\$ 643,371
 <u>LIABILITIES</u>	
Current:	
Accounts Payable	\$ -
Accrued Interest Payable	2,934
Debt due in one year	<u>180,000</u>
Non-current:	
Debt in more than one year:	735,000
Net Pension Liability	<u>6,346,426</u>
TOTAL LIABILITIES	<u>7,264,360</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Unearned Revenue	67,483
Deferred Inflows of Resources from pension	<u>309,549</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>377,032</u>
 <u>NET POSITION</u>	
Net Investment in Capital Assets	9,181,691
Restricted for:	
Capital Projects	499,516
Debt Service	208,188
Inventory	4,506
Textbooks	13,005
Cafeteria	144,169
Athletics	12,860
Special Revenue	4,246
Unrestricted	<u>(4,834,216)</u>
TOTAL NET POSITION	<u>\$ 5,233,965</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue & Changes in Net Position
					Primary Governmental Activities
Primary government:					
Governmental activities:					
Instruction	\$ 3,162,228	\$ 13,070	\$ 538,639	\$ -	\$ (2,610,519)
Support Services			-		
Support Services-Students	430,541	-	154,672	-	(275,869)
Support Services-Instruction	54,707	-	-	-	(54,707)
Support Services-General Administration	291,148	-	25,542	-	(265,606)
Support Services-School Administration	319,074	-	10,795	-	(308,279)
Central Services	73,450	-	-	-	(73,450)
Operation & Maintenance of Plant	753,788	-	2,815	-	(750,973)
Student Transportation	281,858	-	280,823	-	(1,035)
Other Support Services	11,637	-	-	-	(11,637)
Food Services-Operations	344,240	11,567	275,437	-	(57,236)
Community Services-operations	-	-	-	-	-
Bond Interest	7,850	-	-	-	(7,850)
Depreciation-unallocated	410,769	-	-	-	(410,769)
Amortization Unallocated	-	-	-	-	-
Unallocated Revenue	-	-	-	-	-
Total governmental activities	\$ 6,141,290	\$ 24,637	\$ 1,288,723	\$ -	\$ (4,827,930)

General revenues:

Property taxes:

Levied for General purpose	\$ 14,733
Levied for Capital Projects	66,394
Levied for Debt Service	178,438
State Capital Projects	866,872
Fees	4,328
Local Grants	2,123
Federal Sources	29,078
PED Equalization Guarantee	4,295,090
Unrestricted interest income	575
Miscellaneous	35,634
Donations	12,058

Total general revenues	5,505,323
Change in net position	677,393
Net position - beginning	4,540,348
Restatement	16,224
Restated Beginning Net Position	4,556,572
Net position - ending	\$ 5,233,965

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

BALANCE SHEET-- GOVERNMENTAL FUNDS

June 30, 2016

	GENERAL	KINDERGARTEN THREE PLUS	BOND BUILDING
<b>ASSETS</b>			
Cash on Deposit	\$ 734,500	\$ -	\$ 233,811
Due from Other Funds	168,675	-	-
Due from Other Governments	-	60,479	-
Due From External Funds	-	-	-
Property Taxes Receivable	1,331	-	-
Inventory	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 904,506</u></b>	<b><u>\$ 60,479</u></b>	<b><u>\$ 233,811</u></b>
<b>LIABILITIES</b>			
Due to Other Funds	\$ -	\$ 60,479	\$ -
Accounts Payable	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>60,479</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned Revenue	1,172	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>1,172</u></b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>			
Non-spendable	-	-	-
Restricted for: Capital Projects	-	-	233,811
Restricted for: Debt Service	-	-	-
Restricted for: Instructional Materials	13,005	-	-
Restricted for: Cafeteria	-	-	-
Restricted for: Athletics	-	-	-
Restricted for: Special Revenue	-	-	-
Unassigned:			
General Fund	890,329	-	-
Special Revenue Funds	-	-	-
<b>TOTAL FUND BALANCE</b>	<b><u>903,334</u></b>	<b><u>-</u></b>	<b><u>233,811</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b><u>\$ 904,506</u></b>	<b><u>\$ 60,479</u></b>	<b><u>\$ 233,811</u></b>

The accompanying footnotes are an integral part of these financial statements.

SENATE BILL NINE	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	Total GOVERNMENTAL FUNDS
\$ 264,826	\$ 205,845	\$ 228,758	\$ 1,667,740
-	-	-	168,675
-	-	108,196	168,675
-	-	-	-
6,789	18,147	-	26,267
-	-	4,506	4,506
<u>\$ 271,615</u>	<u>\$ 223,992</u>	<u>\$ 341,460</u>	<u>\$ 2,035,863</u>
\$ -	\$ -	\$ 108,196	\$ 168,675
-	-	-	-
-	-	108,196	168,675
5,910	15,804	67,483	90,369
<u>5,910</u>	<u>15,804</u>	<u>67,483</u>	<u>90,369</u>
-	-	4,506	4,506
265,705	-	-	499,516
-	208,188	-	208,188
-	-	-	13,005
-	-	144,169	144,169
-	-	12,860	12,860
-	-	4,246	4,246
-	-	-	890,329
-	-	-	-
<u>265,705</u>	<u>208,188</u>	<u>165,781</u>	<u>1,776,819</u>
<u>\$ 271,615</u>	<u>\$ 223,992</u>	<u>\$ 341,460</u>	<u>\$ 2,035,863</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
RECONCILIATION OF THE BALANCE SHEET  
ALL GOVERNMENTAL FUNDS TO THE  
STATEMENT OF NET POSITION

June 30, 2016

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

Fund Balances - total governmental funds	\$ 1,776,819
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	10,096,691
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds are as follows:	
Deferred Outflows of Resources from pension	643,371
Accrued interest payable not reported in the funds.	(2,934)
Liabilities not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Net Pension Liability	(6,346,426)
Deferred Inflows of Resources from pensions	(309,549)
Unavaialable Delinquent Property Taxes	22,886
Bond Proceeds held by third Party	268,107
Bonded Debt	<u>(915,000)</u>
Net positon of governmental activities	<u>\$ 5,233,965</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCE-- GOVERNMENTAL FUNDS

Year Ended June 30, 2016

	GENERAL	KINDERGARTEN THREE PLUS	BOND BUILDING
<b>REVENUE</b>			
Residential/Non-Residential Taxes	\$ 14,392	\$ -	\$ -
Fees - Educational	4,328	-	-
Fees-Users	-	-	-
Interest Income	118	-	37
State Equalization	4,295,090	-	-
State Programs	310,236	82,137	-
Donations	11,058	-	-
Access Board	28,350	-	-
Local Grants	-	-	-
Indirect Cost - (Flow Through Grants)	35,634	-	-
Bond Proceeds	-	-	32,264
Federal Program	728	-	-
<b>TOTAL REVENUES</b>	<b>4,699,934</b>	<b>82,137</b>	<b>32,301</b>
<b>EXPENDITURES</b>			
<b>Current</b>			
Instruction	2,649,437	65,628	-
Support Services			
Support Services-Students	276,813	-	-
Support Services-Instruction	44,533	-	-
Support Services-General Administration	274,455	-	-
Support Services-School Administration	309,622	10,795	-
Central Services	73,761	-	-
Operation & Maintenance of Plant	719,623	2,815	-
Student Transportation	278,982	2,899	-
Other Support Services	11,589	-	48
Food Services-Operations	-	-	-
Acquisition & Construction	-	-	330,419
Bond Principal	-	-	-
Bond Interest	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,638,815</b>	<b>82,137</b>	<b>330,467</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>61,119</b>	<b>-</b>	<b>(298,166)</b>
<b>Other Financing Sources</b>			
Bond Premium	-	-	-
Transfers In<Out>	-	-	-
<b>Total Other Financial Sources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>61,119</b>	<b>-</b>	<b>(298,166)</b>
<b>FUND BALANCE</b>			
June 30, 2015	842,215	-	531,977
Restatement	-	-	-
<b>Restated Fund Balance June 30, 2015</b>	<b>842,215</b>	<b>-</b>	<b>531,977</b>
<b>FUND BALANCE</b>			
June 30, 2016	<b>\$ 903,334</b>	<b>\$ -</b>	<b>\$ 233,811</b>

The accompanying footnotes are an integral part of these financial statements.

SENATE BILL NINE	DEBT SERVICE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 64,692	\$ 173,818	\$ -	\$ 252,902
-	-	-	4,328
-	-	24,637	24,637
21	11	18	205
-	-	-	4,295,090
114,301	-	158,302	664,976
-	-	1,000	12,058
-	-	-	28,350
-	-	25,144	25,144
-	-	-	35,634
-	-	-	32,264
-	-	715,027	715,755
<u>179,014</u>	<u>173,829</u>	<u>924,128</u>	<u>6,091,343</u>
-	-	459,437	3,174,502
-	-	154,672	431,485
-	-	10,219	54,752
635	1,704	15,323	292,117
-	-	-	320,417
-	-	-	73,761
-	-	-	722,438
-	-	-	281,881
-	-	-	11,637
-	-	344,742	344,742
104,116	-	-	434,535
-	150,000	-	150,000
-	8,792	-	8,792
<u>104,751</u>	<u>160,496</u>	<u>984,393</u>	<u>6,301,059</u>
74,263	13,333	(60,265)	(209,716)
-	-	-	-
-	-	-	-
-	-	-	-
74,263	13,333	(60,265)	(209,716)
191,442	190,980	226,046	1,982,660
-	3,875	-	3,875
<u>191,442</u>	<u>194,855</u>	<u>226,046</u>	<u>1,986,535</u>
<u>\$ 265,705</u>	<u>\$ 208,188</u>	<u>\$ 165,781</u>	<u>\$ 1,776,819</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE -  
ALL GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

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

Net change in fund balance - total governmental funds	\$ (209,716)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year	(9,082)
Expenses in the statement of activities which do not require use of current financial resources	
(Increase)/Decrease in pension expense not reported in the funds	17,909
PSFA Capital Improvement Grant	752,571
Interest Earnings on Relinquished Bond Proceeds	371
Increase in Delinquent Property taxes	6,662
Bond Proceeds	(32,264)
Decrease in interest payable	942
Bond principal payments	150,000
	<hr/>
Change in Net Position	<u><u>\$ 677,393</u></u>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
COMBINED STATEMENT OF REVENUE AND EXPENDITURES--BUDGET  
(NON-GAAP) AND ACTUAL-GENERAL FUND  
Year Ended June 30, 2016

	General Fund			VARIANCE
	ORIGINAL BUDGET	BUDGET	ACTUAL	Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 14,806	\$ 14,806	\$ 14,725	\$ (81)
Fees - Educational	-	-	2,178	2,178
Fees-Summer School	-	-	2,150	2,150
Donations/Gifts	-	-	11,058	11,058
Interest Income	77	77	118	41
State Equalization	4,285,329	4,294,824	4,295,090	266
State Flow Through Grants	300,468	310,236	310,236	-
Access Board	11,485	11,485	28,350	16,865
Indirect Cost - (DFG)	-	29,490	35,634	6,144
Federal Revenue	-	728	728	-
<b>TOTAL REVENUE</b>	<u>4,612,165</u>	<u>4,661,646</u>	<u>\$ 4,700,267</u>	<u>\$ 38,621</u>
Cash Balance Budgeted	<u>378,583</u>	<u>378,583</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 4,990,748</u>	<u>\$ 5,040,229</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 3,044,700	\$ 3,004,121	\$ 2,649,437	\$ 354,684
Support Services-Students	229,785	307,318	276,813	30,505
Support Services-Instruction	55,085	55,085	44,533	10,552
Support Services-General Administration	275,023	285,246	274,455	10,791
Support Services-School Administration	321,487	321,487	309,622	11,865
Central Services	74,863	74,863	73,761	1,102
Operation & Maintenance of Plant	907,571	907,571	719,623	187,948
Student Transportation	286,798	289,102	278,982	10,120
Other Support Services	12,896	12,896	11,589	1,307
Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 5,208,208</u>	<u>\$ 5,257,689</u>	<u>\$ 4,638,815</u>	<u>\$ 618,874</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 4,700,267
Differences-Budget to GAAP	
Property tax Receivable	(333)
Prior Year Tax Receivables	-
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 4,699,934</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 4,638,815
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 4,638,815</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--KINDERGARTEN-THREE PLUS

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ 24,237	\$ 85,136	\$ 87,249	\$ 2,113
<b>TOTAL REVENUE</b>	<u>24,237</u>	<u>85,136</u>	<u>87,249</u>	<u>2,113</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 24,237</u>	<u>\$ 85,136</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 17,403	\$ 65,628	\$ 65,628	\$ -
Support Services				
Support Services-School Administration	3,990	12,338	10,795	1,543
Operation & Maintenance of Plant	1,073	2,919	2,815	104
Student Transportation	1,771	4,251	2,899	1,352
<b>TOTAL EXPENDITURES</b>	<u>\$ 24,237</u>	<u>\$ 85,136</u>	<u>\$ 82,137</u>	<u>\$ 2,999</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 87,249
Differences-Budget to GAAP	
Current Year Receivable	60,480
Prior Year Receivable	(65,592)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 82,137</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 82,137
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 82,137</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

June 30, 2016

ASSETS

Pooled Cash	<u>\$ 172,758</u>
-------------	-------------------

LIABILITIES AND FUND BALANCE

Liabilities:	
Deposits Held for Students	<u>\$ 172,758</u>
Total Liabilities	<u>\$ 172,758</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

The summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of Hagerman Municipal School District's management who is responsible for their integrity and objectivity. The financial statements of the District conform to generally accepted accounting principles (GAAP) as applied to governmental 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 government's accounting policies are described below.

There were no component units.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the school district. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year for which they are levied, even if not available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

I. Summary of Significant Accounting Policies (continued)

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

Property taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

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

KINDERGARTEN THREE PLUS – To account for the funds used to provide additional educational time for students in kindergarten through the third grade with at least 25 additional instructional days beginning up to two months earlier than the regular school year. The funding and authority provided by the NM PED.

Bond Building (Capital Projects Fund) – To account for the costs of capital improvements, such as erecting, remodeling, making additions to, providing equipment for and furnishing school buildings, purchasing and improving school grounds funded from the sale of General Obligation Bonds.

SB 9 (Special Revenue Fund) – To account for 2 mill levy restricted by board resolution for erecting, remodeling, making additions to, providing equipment for, furnishing school buildings, and improving school grounds and maintenance of school buildings and grounds exclusive of salary expense of employees. Authority for the creation of this fund is NMSA 1978, 22-25-1 to 22-25-10.

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

The government also reports the following fund types:

Governmental Funds:

Nonmajor Special Revenue Funds – The District accounts for resources restricted to, or designated for, a specific purpose by the District or a grantor in a special revenue fund.

Fiduciary Funds:

Agency Funds – The District accounts for resources held for others in a custodial capacity in agency funds. The District's Agency Fund is the Student Activity Fund.

Similar to private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The government has elected not to follow subsequent private-sector guidance. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

I. Summary of Significant Accounting Policies (continued)

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments.

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the school district. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

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

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

Investments for the District are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

2. Receivables and payables

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

The School District's property taxes are levied each year on the assessed valuation of property located in the School District as of the preceding January 1st. The initial assessed valuation for the 2015 fiscal year was \$35,513,954. Mill levy rates are set by the State of New Mexico each year for the General Fund, SB - 9 Capital Improvements Fund, and Debt Service Fund. Taxes are payable in two equal installments on November 10th and April 10th following the levy and become delinquent after 30 days.

3. Inventories

The food inventories are valued at cost using the first-in/first-out (FIFO) method. USDA Commodities are recorded at estimated costs. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

4. Capital assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life that extends beyond a single reporting period. The District is capitalizing qualifying software and library books as required. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	50
Land Improvements	50
Equipment	10

5. Compensated absences

It is the District's policy not to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave or vacation.

6. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as capital projects expenditures.

7. Fund equity

For the government-wide financial statements, net assets are reported as restricted when constraints are placed on net asset use are either 1) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws and regulations of other governments; 2) Imposed by law through constitutional provisions or enabling legislation.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

8. Comparative data/reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

I. Summary of Significant Accounting Policies (continued)

D. Assets, liabilities, and net assets or equity (continued)

9. Indirect Costs

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

10. Salaries and Wages

The School District pays all salaries and wages due teachers on or before June 30th of each year.

11. Estimates

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

12. Revenues

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

A school district's program costs are determined through the use of various formulas using "program units" which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$4,295,090 in state equalization guarantee distributions during the year ended June 30, 2016.

Transportation Distribution: School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$277,924 in transportation distributions during the year ended June 30, 2016.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund *balance total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains, long-term liabilities, including bonds payable, is not due and payable in the current period and therefore is not reported in the funds." The details of the \$915,000 difference are as follows:

Bonds Payable	\$ 915,000
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 915,000</u>



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

II. Reconciliation of government-wide and fund financial statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$743,489 difference are as follows:

Capital Outlay	\$ 1,154,258
Depreciation expense	<u>( 410,769)</u>
Net adjustment to increase net changes in fund balances – total government funds to arrive at changes in net assets of governmental activities	<u>\$ 743,489</u>

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$150,000 difference are as follows:

Principal repayments:	
General obligation debt	\$ 150,000
Net adjustment to decrease net changes in fund balances- total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 150,000</u>

III. Stewardship, compliance, and accountability

A. Budgetary Information

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

These budgets are prepared on the Non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be reappropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance. The legal level of budgetary control is at the function level.

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

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

III. Stewardship, compliance, and accountability (continued)

A. Budgetary Information (continued)

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

- In April or May, the superintendent submits to the Board of Education a proposed operating budget of the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
- In May or June, the budget is approved by the Board of Education
- The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called for.
- The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Department of Education.
- Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.
- The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. The appropriated budget for the year ended June 30, 2016 was properly amended by the Board through the year. New Mexico state law prohibits a Governmental Agency to exceed an individual line item. These amendments resulted in the following changes:

Budget comparison statements have been omitted on those funds that had no cash (receipts or expense) activity during the fiscal year.

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 5,208,208	\$ 4,638,834
Special Revenue Fund	1,354,477	1,153,955
Debt Service	354,798	160,496
Capital Projects Fund	807,960	330,468
	<u>\$ 7,725,443</u>	<u>\$ 6,283,753</u>

B. Deficit fund equity

There were not any deficit fund balances at June 30, 2016.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

IV. Detailed notes on all funds

A. Cash and temporary investments

At June 30, 2016, the carrying amount of the District's deposits was \$1,840,498 and the bank balance was \$2,078,492. Of this balance \$250,000 was covered by federal depository insurance and \$1,057,368 was covered by collateral held in the District's name in joint safekeeping by a third party. The remaining \$771,124 is comprised of amounts in excess of those required to be collateralized under state law and is classified as uninsured.

New Mexico State Statutes require collateral pledged for deposits in excess of the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for at least one half of the amount on deposit with the institution.

The collateral pledged is identified in the Supplementary Information of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

Investments held by the New Mexico State Treasurer are valued at fair value based on quoted market prices as of the valuation date. The State Treasurer Local Government Investment Pool is not SEC registered. The State Treasurer is authorized to invest the short-term investment funds, with the advice and consent of the State Board of Finance, in accordance with Sections 6-10-10 I through 6-10-10 P and Sections 6-10-10.1 A and E, NMSA 1978. The pool does not have unit shares. Per Sections 6-10-10.1F, NMSA 1978, at the end of each month all interest earned is distributed by the State Treasurer to the contributing entities in amounts directly proportionate to the respective amounts deposited in the fund and the length of time the fund amounts were invested. Participation in the local government investment pool is voluntary.

For the year ended June 30, 2016, the investments held in the LGIP had an interest risk (WAM) of 59 days and a Standard and Poor's Rating of AAAm.

Custodial Credit Risk – Deposits

Custodial Credit Risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial risk. As of June 30, 2016, \$771,124 of the government's bank balance of \$2,078,492 was exposed to custodial risk as follows:

Uninsured and Uncollateralized	\$771,124
--------------------------------	-----------

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

IV. Detailed notes on all funds (continued)

B. Receivables

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

	Due From Other Agencies	Property Taxes Receivable
General Funds	\$ -	\$ 1,331
Senate Bill Nine	-	6,789
Debt Service	-	18,147
Title I	28,374	-
Title I Migrant	7,946	-
Entitlement	24,342	-
NM Autism Project	469	-
Preschool	2,577	-
Risk Pool	14,051	-
Teacher/Principal Training	4,524	-
NM Reads to Lead	15,791	-
Kindergarten Three Plus	60,479	-
Social Workers for Middle Schools	10,122	-
Totals	<u>\$ 168,675</u>	<u>\$ 26,267</u>

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

	<u>Unavailable</u>
Grant draw downs prior to meeting all eligibility requirements	67,483
Delinquent Property Taxes	<u>\$ 22,886</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 90,369</u>

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

IV. Detailed notes on all funds (continued)

C. Capital Assets

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

	Balance 06/30/14	Increases	Decreases	Balance 06/30/15
Governmental Activities				
Capital Assets not being depreciated				
Land	\$ 77,083	\$ -	\$ -	\$ 77,083
Construction in Progress	8,751	1,102,998	-	1,111,749
Total Capital Assets not being depreciated	85,834	1,102,998	-	1,188,832
Capital Assets being depreciated				
Buildings & Improvements	14,869,986	15,224	-	14,885,210
Equipment & Vehicles	2,465,086	36,036	-	2,501,122
Total Capital Assets being depreciated	17,335,072	51,260	-	17,386,332
Less: Accumulated Depreciation				
Buildings & Improvements	6,205,851	357,271	-	6,563,122
Equipment & Vehicles	1,861,853	53,498	-	1,915,351
Total Accumulated Depreciation	8,067,704	410,769	-	8,478,473
Net Capital Assets being depreciated	9,267,368	(359,509)	-	8,907,859
Total Net Capital Assets	\$ 9,353,202	\$ 743,489	\$ -	\$ 10,096,691

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

Depreciation expense was not charged to function/programs of the School District because the detail information was not available due to historical date not being available. Depreciation was calculated using the estimated useful lives of 50 years for buildings and improvements and land improvements and using 10 years for equipment.

D. Long-term debt – General Obligation Bonds

Series	Original Amount	Interest Rate	Balance 6/30/2013	Additions	Retirements	Balance 6/30/2014	Amount Due in One Year
2005	\$ 400,000	1.52-2.03%	\$ 35,000	\$ -	\$ 35,000	\$ -	\$ -
2007	400,000	1.99-2.17%	150,000	-	35,000	110,000	40,000
2009	400,000	.67-3.59%	220,000	-	35,000	185,000	35,000
2013	400,000	.235%-1.175%	360,000	-	40,000	320,000	40,000
2013	300,000	.45%-2.335%	-	300,000	-	300,000	65,000
Total	\$ 1,900,000		\$ 765,000	\$ 300,000	150,000	\$ 915,000	\$ 180,000

Fiscal Year	Principal	Interest	Total
2017	\$ 180,000	\$ 9,999	\$ 189,999
2018	180,000	7,889	187,889
2019	140,000	5,637	145,637
2020	120,000	3,797	123,797
2021	60,000	2,883	62,883
2022-2026	235,000	7,059	242,059
	\$ 915,000	\$ 37,264	\$ 952,264

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

IV. Detailed notes on all funds (continued)

D. Long-term debt – General Obligation Bonds (continued)

Legal Debt Margin

The legal debt margin is specified by Article IX Section 11 of the Constitution of the State of New Mexico as not greater than 6% of the assessed value of the taxable property within the School District. Based on these criteria, the maximum general obligation debt permissible is \$2,130,837 including \$915,000 debt outstanding based on the 2015 initial valuation.

V. Other information

A. Risk Management

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

B. Contingent liabilities

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

C. Pension Plan

**Pensions** For purposes of measuring the net pension liability, deferred outflows 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 Employee's 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 as [www.nmerb.org](http://www.nmerb.org).

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016  
V. Other information (continued)

C. Pension Plan (continued)

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

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum 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 before July 1, 2010, or 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 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 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 20, 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 be 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 retirement. 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 year or more years of service credit have 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 provided 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 years 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 state of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

**Contributions.** The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$416,493 for the year ended June 30, 2015.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016  
V. Other information (continued)

C. Pension Plan (continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:** The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2015, the District's reported a liability of \$6,346,426 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's proportion was .09798%, which was an increase of .0023% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$398,581. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Beginning balance	\$ 387,150	\$ 840,321
Changes of assumptions	218,287	-
Net difference between projected and actual earnings on pension plan investments	-	(352,583)
Changes in proportion	8,591	1,359
2015 Actual Employer Contributions	(387,150)	-
2016 Actual Employer Contributions	416,493	-
Differences between expected and actuarial experience	-	63,294
Proportionate change in deferred outflow	-	-
Net amortization of deferred amounts from changes in proportion	-	(242,842)
Total	<u>\$643,371</u>	<u>\$ 309,549</u>

\$373,630 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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	\$(98,664)
2018	\$(84,769)
2019	\$12,645
2020	\$88,146

**Actuarial assumptions.** As described above, the total ERB pension liability and net liability are based on an actuarial valuation performed as of June 30, 2015. The liabilities reflect the impact of Senate Bill 115, signed into law on March 29, 2013 and new assumptions adopted by the Board of Trustees on June 12, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

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



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016

V. Other information (continued)

C. Pension Plan (continued)

The actuarial methods and assumptions used to determine contribution rates included in the measurements are as follows:

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

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows etc.).

**Sensitivity of the District's proportionate share of the net pension 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%)
District's proportionate share of the net pension liability	<u>\$8,539,540</u>	<u>\$6,346,426</u>	<u>\$4,503,981</u>

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

**Payable to the pension plan.** The District has no payables to the pension plan.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016  
V. Other information (continued)

. Post-retirement health care benefits

**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](http://www.nmrhca.state.nm.us).

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

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016  
V. Other information (continued)

D. Post-retirement health care benefits (continued)

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$59,927, \$55,705 and \$53,892, respectively, which equal the required contributions for each year.

E. Interfund Balances

Due from	Due to Operational
Title I	\$ 28,374
Title I Migrant	7,946
Entitlement	24,342
NM Autism Project	469
Preschool	2,577
Risk Pool	14,051
Teacher/Principal Training	4,524
NM Reads to Lead	15,791
Kindergarten Three Plus	60,479
Social Workers for Middle Schools	10,122
Social Workers for Middle Schools	10,122
	\$ 168,675

These amounts represent temporary operating loans that will be repaid during the next fiscal year.

F. Restatement of Beginning Balance of Net Position

The following restatement was made to record the prior year Net Pension Liability.

Restatement of Net Position:

Net Position – Governmental Activities at June 30, 2015	\$ 4,540,348
Recording of Net Pension Liability for year ended June 30, 2013	<u>16,224</u>
Restated Balance at July 1, 2015	<u>\$ 4,556,572</u>

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2016  
V. Other information (continued)

G. Fund Balances Classified

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned upon the use of the resources in the government funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented here.

Fund Balances	General Fund	Senate Bill 9	Bond Building	Debt Service	Non-Major Governmental Funds	Total
<b>Non-Spendable:</b>						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 4,506	\$ 4,506
Total Nonspendable	-	-	-	-	4,506	4,506
<b>Restricted for:</b>						
Debt Service	-	-	-	208,188	-	208,188
Capital Improvements	-	265,705	233,811	-	-	499,516
Athletics	-	-	-	-	12,860	12,860
Cafeteria	-	-	-	-	144,169	144,169
Instructional Materials	13,005	-	-	-	-	13,005
Special Revenue	-	-	-	-	4,246	4,246
Total restricted	13,005	265,705	233,811	208,188	161,275	881,984
Unassigned	890,329	-	-	-	-	890,329
Total Fund Balances	\$ 903,334	\$ 265,705	\$ 233,811	\$ 208,188	\$ 165,781	\$ 1,776,819

H. RESTATEMENT OF FUND BALANCE

The following restatement was made to remove interest payable recorded at the fund level.

Fund balance June 30, 2015	\$1,982,660
Remove interest payable recorded in the Debt Service Fund	<u>3,875</u>
Fund Balance July 1, 2015	<u>\$1,986,535</u>

## NON-MAJOR SPECIAL REVENUE FUNDS

FOOD SERVICES – to account for financing for school hot lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, New Mexico Statutes Annotated, State Law 22-13-13.

ATHLETICS – to account for revenues received from non-instructional activities for use in the district's athletic and other non-instructional programs. Required by the New Mexico State Department of Education Manual of Procedures for New Mexico School Districts to be accounted for as a separate fund. Authority for this fund is the New Mexico Administrative Code 6.20.2.

TITLE I (Special Revenue Fund) – The Title I project provides remedial instruction in language arts for educationally deprived students in low-income areas. The project is funded by the Federal Government through the New Mexico State Department of Education under the Elementary and Secondary Education Act of 1965, Title I, Chapter I, part A, 20 U.S.C. 2701 et seq.

TITLE I MIGRANT – To account for a Federal program to implement school-wide bilingual education programs of special alternative instruction programs to improve, reform, and upgrade relevant programs and operations within an entire local educational agency, that serve a significant number of children and youth of limited English proficiency. The fund was created under the authority of Title VII, Section 7115 of the ESEA (20USC 7425).

IDEA B – ENTITLEMENT – P.L. 94-142, Individuals with Disabilities Education Act – To account for a federal grant restricted to the operation and maintenance of meeting the special education need of children with disabilities. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17.

NEW MEXICO AUTISM PROJECT – To account for funds provided to the District to support the District's implementation of the NMAP and improve outcomes for students with Autism Spectrum Disorders. Authority for the creation of this fund is Individuals with Disabilities Act, Part B, Sec. 611, as amended; Public Laws 91-230,93-380,94-142,98-199,99-457,100-630 and 101-476; 20 U.S.C. 1401-1419, Public Law 105-17

IDEA-B Preschool - to assist states in providing free, appropriate public education to all handicapped children from ages 3 to 5. The program is funded by the United States Government. Authority for creation of this fund is Part Public Law 105-17.

IDEA B – RISK POOL – To account for a federal grant restricted to the operation and maintenance of meeting the special education needs of children with disabilities. (Authority, Individuals with Disabilities Act, Part B Sec 611, as amended; P.L. 91-230, 93-380, 94-142, 98-199, 99-457, 100-630, and 101-476; U.S.C. 1401-1419, P.L. 105-17)

TEACHER/PRINCIPAL TRAINING – To provide grants to State Education Agencies 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. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 as amended, Title I, Part A, Public Law 107-110.

TITLE XIX MEDICAID (Special Revenue Fund) – The purpose of this fund is to account for reimbursement of health-related services of Medicaid eligible students receiving related services, for administrative time study, and for a statement of service costs study. Authorized by the Social Security Act.

RURAL EDUCATION – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

RURAL VISION – To account for revenue received from the sale of telecommunication time sold to cable networks. The New Mexico Public Education Department requires this revenue to be accounted for in a separate fund. Authorized by the District's local school board.

2009 DUAL CREDIT INSTRUCTIONAL MATERIALS – to fund all public, charter, and state supported schools for dual credit course materials approved by the Higher Education Department and through a college/university which has an approved agreement with the school. Funding and authority provided by House Bill 2, 2009 page 226 lines 12-19.

**NON-MAJOR SPECIAL REVENUE FUNDS**

(continued)

2012 G.O. BOND STUDENT LIBRARY – This fund is used to account for the revenue and expenditures to acquire supplementary library books, equipment, and library resources for public schools and juvenile detention libraries statewide.

NEW MEXICO READS TO LEAD – To account for the funding provided by the PED for the purchase of K-3 non-fiction books, K-3 non-fiction classroom libraries, and K-3 non-fiction text materials. Fund was created under the state-wide reading initiative authorized under NM Section 22-13-1.3.

SOCIAL WORKERS FOR MIDDLE SCHOOLS – To account for funds provided through state appropriation used to hire a social worker to work in the middle school. Fund creation authorized through appropriation through NM State Legislation and NM Public Education Department Special Appropriation Fund.

BREAKFAST FOR ELEMENTARY STUDENTS – To account for funds used to provide elementary students with breakfast in the classroom. Creation authorized by the Child Nutrition Act of the United States Department of Agriculture.

ENMU GRANTS – To account for funds from the ENMU – Roswell Gear Up Program to purchase an Apple Education Mobile Learning Lab for biology classes at the high school.

CITY/COUNTY GRANTS – To account for grants received from local city and county sources. Funding provided by grant contract in which sources will vary from year to year. Expenditures in this fund are stipulated by individual grant contract. All private grants are subject to board approval.

INDUSTRIAL REVENUE BONDS – To account for local funds received for revenue in lieu of taxes due to tax incentives given to new business development within the District's tax district. All private and local grants are subject to board approval.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2016

	CAFETERIA	ATHLETICS	TITLE I	MIGRANT	ENTITLEMENT
<b>ASSETS</b>					
Cash	\$ 144,169	\$ 12,860	\$ -	\$ -	\$ -
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	28,374	7,946	24,342
Due from External Funds	-	-	-	-	-
Property Taxes Receivable	-	-	-	-	-
Inventory	4,506	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 148,675</b>	<b>\$ 12,860</b>	<b>\$ 28,374</b>	<b>\$ 7,946</b>	<b>\$ 24,342</b>
<b>LIABILITIES</b>					
Due to other Funds	\$ -	\$ -	\$ 28,374	\$ 7,946	\$ 24,342
Accounts Payable	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>28,374</b>	<b>7,946</b>	<b>24,342</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unearned Revenue	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>					
Non-spendable	4,506	-	-	-	-
Restricted					
Cafeteria	144,169	-	-	-	-
Athletics	-	12,860	-	-	-
Special Revenue	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>148,675</b>	<b>12,860</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 148,675</b>	<b>\$ 12,860</b>	<b>\$ 28,374</b>	<b>\$ 7,946</b>	<b>\$ 24,342</b>

The accompanying footnotes are an integral part of these financial statements.

NEW MEXICO AUTISM PROJECT	PRESCHOOL	RISK POOL	TEACHER/ PRINCIPAL TRAINING	MEDICAID	RURAL EDUCATION ACHIEVEMENT	RURAL VISION
\$ -	\$ -	\$ -	\$ -	\$ 41,867	\$ -	\$ 2,954
-	-	-	-	-	-	-
469	2,577	14,051	4,524	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 469</u>	<u>\$ 2,577</u>	<u>\$ 14,051</u>	<u>\$ 4,524</u>	<u>\$ 41,867</u>	<u>\$ -</u>	<u>\$ 2,954</u>
\$ 469	\$ 2,577	\$ 14,051	\$ 4,524	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
<u>469</u>	<u>2,577</u>	<u>14,051</u>	<u>4,524</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	41,867	-	2,954
-	-	-	-	<u>41,867</u>	-	<u>2,954</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 469</u>	<u>\$ 2,577</u>	<u>\$ 14,051</u>	<u>\$ 4,524</u>	<u>\$ 41,867</u>	<u>\$ -</u>	<u>\$ 2,954</u>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET--NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
JUNE 30, 2016

	2009 DUAL CREDIT INSTRUCTION	2012 GO BOND STUDENT LIBRARY	NEW MEXICO READS TO LEAD	BREAKFAST FOR ELEMENTARY STUDENTS
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ -
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	15,791	-
Due from External Funds	-	-	-	-
Property Taxes Receivable	-	-	-	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,791</u></u>	<u><u>\$ -</u></u>
<b>LIABILITIES</b>				
Due to other Funds	\$ -	\$ -	\$ 15,791	\$ -
Accounts Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>15,791</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned Revenue	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Non-spendable	-	-	-	-
Restricted				
Cafeteria	-	-	-	-
Athletics	-	-	-	-
Special Revenue	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,791</u></u>	<u><u>\$ -</u></u>

The accompanying footnotes are an integral part of these financial statements.

SOCIAL WORKERS FOR MIDDLE SCHOOLS	ENMU GRANTS	STATE/LOCAL PRIVATE DIRECT GRANTS	CITY/COUNTY GRANTS	INDUSTRIAL REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ 22,662	\$ 4,246	\$ 228,758
-	-	-	-	-	-
10,122	-	-	-	-	108,196
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	4,506
<u>\$ 10,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,662</u>	<u>\$ 4,246</u>	<u>\$ 341,460</u>
\$ 10,122	\$ -	\$ -	\$ -	\$ -	\$ 108,196
-	-	-	-	-	-
<u>10,122</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,196</u>
-	-	-	22,662	-	67,483
-	-	-	22,662	-	67,483
-	-	-	-	-	4,506
-	-	-	-	-	144,169
-	-	-	-	-	12,860
-	-	-	-	4,246	4,246
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,246</u>	<u>165,781</u>
<u>\$ 10,122</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,662</u>	<u>\$ 4,246</u>	<u>\$ 341,460</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2016

	CAFETERIA	ATHLETICS	TITLE I	MIGRANT	ENTITLEMENT
REVENUE					
Fees-Users	\$ 11,567	\$ 13,070	\$ -	\$ -	\$ -
Fees-Summer School	-	-	-	-	-
Interest Income	15	3	-	-	-
State Programs	-	-	-	-	-
Impact Aid	-	-	-	-	-
Donations	-	1,000	-	-	-
Local Grants	-	-	-	-	-
Federal Program	273,339	-	180,511	26,247	114,007
TOTAL REVENUES	<u>284,921</u>	<u>14,073</u>	<u>180,511</u>	<u>26,247</u>	<u>114,007</u>
EXPENDITURES					
Current					
Instruction	-	18,738	180,511	26,247	97,140
Support Services-Students	-	-	-	-	16,867
Support Services-Instruction	-	-	-	-	-
Support Services-General Administration	-	-	-	-	-
Food Services-Operations	342,644	-	-	-	-
Community Services-operations	-	-	-	-	-
Acquisition & Construction	-	-	-	-	-
TOTAL EXPENDITURES	<u>342,644</u>	<u>18,738</u>	<u>180,511</u>	<u>26,247</u>	<u>114,007</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(57,723)	(4,665)	-	-	-
OTHER FINANCING SOURCES (USES)					
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	(57,723)	(4,665)	-	-	-
FUND BALANCE					
June 30, 2015	206,398	17,525	-	-	-
Restatement	-	-	-	-	-
FUND BALANCE	<u>206,398</u>	<u>17,525</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2016	<u>\$ 148,675</u>	<u>\$ 12,860</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes are an integral part of these financial statements.

NEW MEXICO AUTISM PROJECT	PRESCHOOL	RISK POOL	TEACHER/ PRINCIPAL	MEDICAID	RURAL EDUCATION ACHIEVEMENT	RURAL VISION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,816	7,167	14,051	24,354	23,464	30,748	15,323
<u>5,816</u>	<u>7,167</u>	<u>14,051</u>	<u>24,354</u>	<u>23,464</u>	<u>30,748</u>	<u>15,323</u>
5,816	6,188	14,051	24,354	-	30,748	-
-	979	-	-	23,464	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	15,323
-	-	-	-	-	-	-
-	-	-	-	-	-	-
5,816	7,167	14,051	24,354	23,464	30,748	15,323
<u>5,816</u>	<u>7,167</u>	<u>14,051</u>	<u>24,354</u>	<u>23,464</u>	<u>30,748</u>	<u>15,323</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2016

	2009 DUAL CREDIT INSTRUCTION	2012 GO BOND STUDENT LIBRARY	NEW MEXICO READS TO LEAD	BREAKFAST FOR ELEMENTARY STUDENTS
<b>REVENUE</b>				
Fees-Users	\$ -	\$ -	\$ -	\$ -
Fees-Summer School	-	-	-	-
Interest Income	-	-	-	-
State Programs	1,060	10,219	31,563	2,098
Impact Aid	-	-	-	-
Donations	-	-	-	-
Local Grants	-	-	-	-
Federal Program	-	-	-	-
<b>TOTAL REVENUES</b>	<b>1,060</b>	<b>10,219</b>	<b>31,563</b>	<b>2,098</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	1,060	-	31,563	-
Support Services-Students	-	-	-	-
Support Services-Instruction	-	10,219	-	-
Support Services-General Administration	-	-	-	-
Food Services-Operations	-	-	-	2,098
Community Services-operations	-	-	-	-
Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,060</b>	<b>10,219</b>	<b>31,563</b>	<b>2,098</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change In Fund Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>				
June 30, 2015	-	-	-	-
Restatement	-	-	-	-
<b>FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
June 30, 2016	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying footnotes are an integral part of these financial statements.

SOCIAL WORKERS FOR MIDDLE SCHOOLS	ENMU GRANTS	STATE/LOCAL PRIVATE DIRECT GRANTS	CITY/COUNTY GRANTS	INDUSTRIAL REVENUE BONDS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,637
-	-	-	-	-	-
-	-	-	-	-	18
55,682	57,680	-	-	-	158,302
-	-	-	-	-	-
-	-	-	-	-	1,000
-	-	8,607	14,414	2,123	25,144
-	-	-	-	-	715,027
<u>55,682</u>	<u>57,680</u>	<u>8,607</u>	<u>14,414</u>	<u>2,123</u>	<u>924,128</u>
-	-	8,607	14,414	-	459,437
55,682	57,680	-	-	-	154,672
-	-	-	-	-	10,219
-	-	-	-	-	15,323
-	-	-	-	-	344,742
-	-	-	-	-	-
-	-	-	-	-	-
<u>55,682</u>	<u>57,680</u>	<u>8,607</u>	<u>14,414</u>	<u>-</u>	<u>984,393</u>
-	-	-	-	2,123	(60,265)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,123	(60,265)
-	-	-	-	2,123	226,046
-	-	-	-	-	-
-	-	-	-	2,123	226,046
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,246</u>	<u>\$ 165,781</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--CAFETERIA

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Fees-Users	\$ 11,300	\$ 11,300	\$ 11,567	\$ 267
Interest Income	13	13	15	2
Federal Revenue	254,000	254,000	256,950	2,950
<b>TOTAL REVENUE</b>	<u>265,313</u>	<u>265,313</u>	<u>\$ 268,532</u>	<u>\$ 3,219</u>
Cash Balance Budgeted	<u>128,962</u>	<u>128,962</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 394,275</u>	<u>\$ 394,275</u>		
<b>EXPENDITURES</b>				
Current				
Food Services-Operations	\$ 397,443	\$ 397,443	\$ 325,318	\$ 72,125
<b>TOTAL EXPENDITURES</b>	<u>\$ 397,443</u>	<u>\$ 397,443</u>	<u>\$ 325,318</u>	<u>\$ 72,125</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 268,532
Differences-Budget to GAAP	
Commodities Received	16,389
Total Revenues (GAAP Basis)	<u>\$ 284,921</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 325,318
Differences-budget to GAAP	
Cost of Commodities Used	16,389
Inventory Adjustment	937
Total Expenditures (GAAP Basis)	<u>\$ 342,644</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--ATHLETICS

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Fees-Users	\$ 12,500	\$ 12,500	\$ 13,070	\$ 570
Donations/Gifts	-	-	1,000	1,000
Interest Income	3	3	3	-
TOTAL REVENUE	<u>12,503</u>	<u>12,503</u>	<u>\$ 14,073</u>	<u>\$ 1,570</u>
Cash Balance Budgeted	<u>20,508</u>	<u>20,508</u>		
TOTAL REVENUE & CASH	<u>\$ 33,011</u>	<u>\$ 33,011</u>		
EXPENDITURES				
Current				
Instruction	\$ 30,215	\$ 30,215	\$ 18,738	\$ 11,477
TOTAL EXPENDITURES	<u>\$ 30,215</u>	<u>\$ 30,215</u>	<u>\$ 18,738</u>	<u>\$ 11,477</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 14,073
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 14,073</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 18,738
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 18,738</u>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TITLE I

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 181,100	\$ 180,529	\$ 210,157	\$ 29,628
<b>TOTAL REVENUE</b>	<u>181,100</u>	<u>180,529</u>	<u>\$ 210,157</u>	<u>\$ 29,628</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 181,100</u>	<u>\$ 180,529</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 181,100	\$ 180,529	\$ 180,511	\$ 18
Support Services-Instruction	-	-	-	-
Support Services-School Administration	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>\$ 181,100</u>	<u>\$ 180,529</u>	<u>\$ 180,511</u>	<u>\$ 18</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 210,157
Differences-Budget to GAAP	
Current Year Receivable	28,374
Prior Year Receivable	(58,020)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 180,511</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 180,511
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 180,511</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--MIGRANT CHILDREN EDUCATION

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 26,937	\$ 26,937	\$ 31,883	\$ 4,946
TOTAL REVENUE	<u>26,937</u>	<u>26,937</u>	<u>\$ 31,883</u>	<u>\$ 4,946</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>-</u>	<u>-</u>		
EXPENDITURES				
Current				
Instruction	\$ 26,937	\$ 26,937	\$ 26,247	\$ 690
TOTAL EXPENDITURES	<u>\$ 26,937</u>	<u>\$ 26,937</u>	<u>\$ 26,247</u>	<u>\$ 690</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 31,883
Differences-Budget to GAAP	
Current Year Receivable	7,945
Prior Year Receivable	(13,581)
Total Revenues (GAAP Basis)	<u>\$ 26,247</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 26,247
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 26,247</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--ENTITLEMENT

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 112,444	\$ 142,539	\$ 105,646	\$ (36,893)
TOTAL REVENUE	<u>112,444</u>	<u>142,539</u>	<u>\$ 105,646</u>	<u>\$ (36,893)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 112,444</u>	<u>\$ 142,539</u>		
EXPENDITURES				
Current				
Instruction	\$ 95,577	\$ 125,672	\$ 97,140	\$ 28,532
Support Services				-
Support Services-Students	16,867	16,867	16,867	-
Support Services-General Administration				-
TOTAL EXPENDITURES	<u>\$ 112,444</u>	<u>\$ 142,539</u>	<u>\$ 114,007</u>	<u>\$ 28,532</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 105,646
Differences-Budget to GAAP	
Current Year Receivable	24,342
Prior Year Receivable	(15,981)
Total Revenues (GAAP Basis)	<u>\$ 114,007</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 114,007
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 114,007</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--NEW MEXICO AUTISM PROJECT

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 7,360	\$ 7,856	\$ 496
TOTAL REVENUE	<u>-</u>	<u>7,360</u>	<u>7,856</u>	<u>496</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 7,360</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 7,360	\$ 5,816	\$ 1,544
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 7,360</u>	<u>\$ 5,816</u>	<u>\$ 1,544</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 7,856
Differences-Budget to GAAP	
Current Year Receivable	468
Prior Year Receivable	(2,508)
Total Revenues (GAAP Basis)	<u>\$ 5,816</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 5,816
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 5,816</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B PRESCHOOL

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Federal Revenue	\$ 6,528	\$ 7,987	\$ 5,592	\$ (2,395)
<b>TOTAL REVENUE</b>	<u>6,528</u>	<u>7,987</u>	<u>\$ 5,592</u>	<u>\$ (2,395)</u>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 6,528</u>	<u>\$ 7,987</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 5,548	\$ 7,007	\$ 6,188	\$ 819
Support Services				-
Support Services-Students	980	980	979	1
<b>TOTAL EXPENDITURES</b>	<u>\$ 6,528</u>	<u>\$ 7,987</u>	<u>\$ 7,167</u>	<u>\$ 820</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 5,592
Differences-Budget to GAAP	
Current Year Receivable	2,576
Prior Year Receivable	(1,001)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 7,167</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 7,167
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 7,167</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--IDEA-B RISK POOL

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ -	\$ 14,140	\$ 90	\$ (14,050)
TOTAL REVENUE	<u>-</u>	<u>14,140</u>	<u>90</u>	<u>(14,050)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 14,140</u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 14,140	\$ 14,051	\$ 89
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 14,140</u>	<u>\$ 14,051</u>	<u>\$ 89</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 90
Differences-Budget to GAAP	
Current Year Receivable	14,051
Prior Year Receivable	(90)
Total Revenues (GAAP Basis)	<u>\$ 14,051</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 14,051
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 14,051</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TEACHER/PRINCIPAL TRAINING & RECRUITING

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 20,922	\$ 31,674	\$ 23,319	\$ (8,355)
TOTAL REVENUE	<u>20,922</u>	<u>31,674</u>	<u>\$ 23,319</u>	<u>\$ (8,355)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 20,922</u>	<u>\$ 31,674</u>		
EXPENDITURES				
Current				
Instruction	\$ 20,922	\$ 31,674	\$ 24,354	\$ 7,320
TOTAL EXPENDITURES	<u>\$ 20,922</u>	<u>\$ 31,674</u>	<u>\$ 24,354</u>	<u>\$ 7,320</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 23,319
Differences-Budget to GAAP	
Current Year Receivable	4,523
Prior Year Receivable	(3,488)
Total Revenues (GAAP Basis)	<u>\$ 24,354</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 24,354
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 24,354</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--TITLE XIX MEDICAID 3/21

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 27,899	\$ 27,899	\$ 36,419	\$ 8,520
TOTAL REVENUE	<u>27,899</u>	<u>27,899</u>	<u>\$ 36,419</u>	<u>\$ 8,520</u>
Cash Balance Budgeted	<u>55,661</u>	<u>55,661</u>		
TOTAL REVENUE & CASH	<u>\$ 83,560</u>	<u>\$ 83,560</u>		
EXPENDITURES				
Current				
Support Services-Students	52,742	52,742	23,464	29,278
TOTAL EXPENDITURES	<u>\$ 52,742</u>	<u>\$ 52,742</u>	<u>\$ 23,464</u>	<u>\$ 29,278</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 36,419
Differences-Budget to GAAP	
Current Year Deferral	(41,867)
Prior Year Deferral	28,912
Total Revenues (GAAP Basis)	<u>\$ 23,464</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 23,464
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 23,464</u>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--RURAL EDUCATION ACHIEVEMENT

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 12,852	\$ 35,035	\$ 30,748	\$ (4,287)
TOTAL REVENUE	<u>12,852</u>	<u>35,035</u>	<u>\$ 30,748</u>	<u>\$ (4,287)</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 12,852</u>	<u>\$ 35,035</u>		
EXPENDITURES				
Current				
Instruction	\$ 12,852	\$ 35,035	\$ 30,748	\$ 4,287
TOTAL EXPENDITURES	<u>\$ 12,852</u>	<u>\$ 35,035</u>	<u>\$ 30,748</u>	<u>\$ 4,287</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 30,748
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 30,748</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 30,748
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 30,748</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--RURAL VISION

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Grants	\$ 2,400	\$ 2,400	\$ 2,400	\$ -
TOTAL REVENUE	<u>2,400</u>	<u>2,400</u>	<u>\$ 2,400</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>13,077</u>	<u>13,077</u>		
TOTAL REVENUE & CASH	<u>\$ 15,477</u>	<u>\$ 15,477</u>		
EXPENDITURES				
Current				
Support Services-General Administration	\$ 18,277	\$ 18,277	\$ 15,323	\$ 2,954
TOTAL EXPENDITURES	<u>\$ 18,277</u>	<u>\$ 18,277</u>	<u>\$ 15,323</u>	<u>\$ 2,954</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 2,400
Differences-Budget to GAAP	
Current Year Deferral	(2,954)
Prior Year Deferral	15,877
Total Revenues (GAAP Basis)	<u>\$ 15,323</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 15,323
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 15,323</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--2009 DUAL CREDIT INSTRUCTION

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Local Grants	\$ -	\$ 1,060	\$ 1,060	\$ -
TOTAL REVENUE	<u>-</u>	<u>1,060</u>	<u>1,060</u>	<u>-</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 1,060</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ -	\$ 1,060	\$ 1,060	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 1,060</u>	<u>\$ 1,060</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 1,060
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 1,060</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 1,060
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 1,060</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND-2012 G.O. BOND LIBRARY FUND

Year Ended June 30 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
Federal Revenue	\$ 10,219	\$ 10,219	\$ 10,219	\$ -
Forest Reserve				-
TOTAL REVENUE	<u>10,219</u>	<u>10,219</u>	<u>\$ 10,219</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 10,219</u>	<u>\$ 10,219</u>		
EXPENDITURES				
Current				
Support Services-Instruction	\$ 10,219	\$ 10,219	\$ 10,219	\$ -
TOTAL EXPENDITURES	<u>\$ 10,219</u>	<u>\$ 10,219</u>	<u>\$ 10,219</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis) \$ 10,219  
Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 10,219

**Uses/outflows of resources**

Actual amounts (budgetary basis) \$ 10,219  
Differences-budget to GAAP

Total Expenditures (GAAP Basis) \$ 10,219

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--NEW MEXICO READS TO LEAD

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ 50,000	\$ 50,000	\$ 28,269	
<b>TOTAL REVENUE</b>	<u>50,000</u>	<u>50,000</u>	<u>\$ 28,269</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 50,000	\$ 50,000	\$ 31,563	\$ 18,437
<b>TOTAL EXPENDITURES</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 31,563</u>	<u>\$ 18,437</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 28,269
Differences-Budget to GAAP	
Current Year Receivable	15,791
Prior Year Receivable	(12,497)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 31,563</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 31,563
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 31,563</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--BREAKFAST FOR ELEMENTARY

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
State Flow Through Grants	\$ -	\$ 2,098	\$ 2,098	\$ -
TOTAL REVENUE	<u>-</u>	<u>2,098</u>	<u>2,098</u>	<u>-</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ -</u>	<u>\$ 2,098</u>		
EXPENDITURES				
Current				
Food Services-Operations	\$ -	\$ 2,098	\$ 2,098	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 2,098</u>	<u>2,098</u>	<u>-</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis) \$ 2,098  
Differences-Budget to GAAP

Total Revenues (GAAP Basis) \$ 2,098

**Uses/outflows of resources**

Actual amounts (budgetary basis) \$ 2,098  
Differences-budget to GAAP  
Total Expenditures (GAAP Basis) \$ 2,098

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--SOCIAL WORKERS FOR MIDDLE SCHOOLS

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 65,000	\$ 45,560	\$ (19,440)
<b>TOTAL REVENUE</b>	<b>-</b>	<b>65,000</b>	<b>45,560</b>	<b>(19,440)</b>
Cash Balance Budgeted	-	-		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ -</b>	<b>\$ 65,000</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services				
Support Services-Students	-	65,000	55,682	9,318
<b>TOTAL EXPENDITURES</b>	<b>\$ -</b>	<b>\$ 65,000</b>	<b>\$ 55,682</b>	<b>\$ 9,318</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 45,560
Current Year Receivable	10,122
<b>Total Revenues (GAAP Basis)</b>	<b>\$ 55,682</b>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 55,682
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<b>\$ 55,682</b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--ENMU GRANT

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ -	\$ 65,077	\$ 67,188	\$ 2,111
Indirect Cost - (Flow Through Grants)	-	-	-	-
<b>TOTAL REVENUE</b>	<u>-</u>	<u>65,077</u>	<u>\$ 67,188</u>	<u>\$ 2,111</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ -</u>	<u>\$ 65,077</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ -	\$ -	\$ -	\$ -
Support Services-Students	-	65,077	57,680	7,397
<b>TOTAL EXPENDITURES</b>	<u>\$ -</u>	<u>\$ 65,077</u>	<u>\$ 57,680</u>	<u>\$ 7,397</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 67,188
Differences-Budget to GAAP	
Current Year Receivable	-
Prior Year Receivable	(9,508)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 57,680</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 57,680
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 57,680</u>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--STATE/LOCAL PRIVATE DIR GRANTS

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
City/Local Grants	\$ -	\$ 8,607	\$ 8,607	\$ -
TOTAL REVENUE	<u>-</u>	<u>8,607</u>	<u><u>8,607</u></u>	<u><u>-</u></u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u><u>\$ -</u></u>	<u><u>\$ 8,607</u></u>		
EXPENDITURES				
Current				
Instruction	\$ -	\$ 8,607	\$ 8,607	\$ -
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 8,607</u>	<u><u>8,607</u></u>	<u><u>-</u></u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 8,607
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u><u>\$ 8,607</u></u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 8,607
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u><u>\$ 8,607</u></u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--CITY/COUNTY GRANTS

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
City/Local Grants	\$ -	\$ 12,000	\$ 14,000	\$ 2,000
TOTAL REVENUE	<u>-</u>	<u>12,000</u>	<u>14,000</u>	<u>2,000</u>
Cash Balance Budgeted	<u>22,300</u>	<u>22,300</u>		
TOTAL REVENUE & CASH	<u>\$ 22,300</u>	<u>\$ 34,300</u>		
EXPENDITURES				
Current				
Instruction	\$ 22,300	\$ 34,300	\$ 14,414	\$ 19,886
TOTAL EXPENDITURES	<u>\$ 22,300</u>	<u>\$ 34,300</u>	<u>\$ 14,414</u>	<u>\$ 19,886</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 14,000
Differences-Budget to GAAP	
Current Year Deferral	(22,662)
Prior Year Deferral	23,076
Total Revenues (GAAP Basis)	<u>\$ 14,414</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 14,414
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 14,414</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--SPECIAL REVENUE FUND--INDUSTRIAL REVENUE BONDS

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
REVENUE				
City/Local Grants	\$ 2,123	\$ 2,123	\$ 2,123	\$ -
TOTAL REVENUE	<u>2,123</u>	<u>2,123</u>	<u>\$ 2,123</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
TOTAL REVENUE & CASH	<u>\$ 2,123</u>	<u>\$ 2,123</u>		
EXPENDITURES				
Current				
Acquisition & Construction	\$ 4,246	\$ 4,246	\$ -	\$ 4,246
TOTAL EXPENDITURES	<u>\$ 4,246</u>	<u>\$ 4,246</u>	<u>\$ -</u>	<u>\$ 4,246</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 2,123
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 2,123</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ -
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ -</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING BALANCE SHEET -- GENERAL FUND

June 30, 2016

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
<b>ASSETS</b>				
Cash on Deposit	\$ 721,495	\$ -	\$ 13,005	734,500
Due From Other Governments	-	-	-	-
Due from Other Funds	168,675	-	-	168,675
Taxes Receivable	1,331	-	-	1,331
<b>TOTAL ASSETS</b>	<b>\$ 891,501</b>	<b>\$ -</b>	<b>\$ 13,005</b>	<b>904,506</b>
<b>LIABILITIES</b>				
Due to Other Funds	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned Revenue	1,172	-	-	1,172
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,172</b>	<b>-</b>	<b>-</b>	<b>1,172</b>
<b>FUND BALANCE</b>				
Fund Balance				
Reserved for Text Books	-	-	13,005	13,005
Restricted	890,329	-	-	890,329
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCE</b>	<b>891,501</b>	<b>-</b>	<b>13,005</b>	<b>903,334</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 891,501</b>	<b>\$ -</b>	<b>\$ 13,005</b>	<b>904,506</b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES  
IN FUND BALANCE -- GENERAL FUND

Year Ended June 30, 2016

	OPERATIONAL	TRANSPORTATION	INSTRUCTIONAL MATERIALS	TOTALS
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 14,392	\$ -	\$ -	14,392
Fees - Educational	4,328	-	-	4,328
Interest Income	118	-	-	118
State Equalization	4,295,090	-	-	4,295,090
State Programs	-	277,924	32,312	310,236
Donations	11,058	-	-	11,058
Access Board	28,350	-	-	28,350
Refunds	-	-	-	-
Indirect Cost - (Flow Through Grants)	35,634	-	-	35,634
Insurance Recoveries	-	-	-	-
Federal Revenue	728	-	-	728
<b>TOTAL REVENUES</b>	<b>4,389,698</b>	<b>277,924</b>	<b>32,312</b>	<b>4,699,934</b>
<b>EXPENDITURES</b>				
Instruction	2,616,793	-	32,644	2,649,437
Support Services-Students	276,813	-	-	276,813
Support Services-Instruction	44,533	-	-	44,533
Support Services-General Administration	274,455	-	-	274,455
Support Services-School Administration	309,622	-	-	309,622
Central Services	73,761	-	-	73,761
Operation & Maintenance of Plant	719,623	-	-	719,623
Student Transportation	1,058	277,924	-	278,982
Other Support Services	11,589	-	-	11,589
Acquisition & Construction	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,328,247</b>	<b>277,924</b>	<b>32,644</b>	<b>4,638,815</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>61,451</b>	<b>-</b>	<b>(332)</b>	<b>61,119</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
TRANSFERS IN/ TRANSFERS OUT	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change In Fund Balance</b>	<b>61,451</b>	<b>-</b>	<b>(332)</b>	<b>61,119</b>
<b>FUND BALANCE</b>				
June 30, 2015	828,878	-	13,337	842,215
Restatement	-	-	-	-
Restated Fund Balance June 30, 2015	828,878	-	13,337	842,215
<b>FUND BALANCE June 30, 2016</b>	<b>\$ 890,329</b>	<b>\$ -</b>	<b>\$ 13,005</b>	<b>903,334</b>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--OPERATIONAL

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 14,806	\$ 14,806	\$ 14,725	\$ (81)
Fees - Educational	-	-	2,178	2,178
Fees-Summer School	-	-	2,150	2,150
Donations/Gifts	-	-	11,058	11,058
Interest Income	77	77	118	41
State Equalization	4,285,329	4,294,824	4,295,090	266
Access Board	11,485	11,485	28,350	16,865
Indirect Cost - (DFG)	-	29,490	35,634	6,144
Indirect Cost - (Flow Through Grants)	-	-	-	-
Forest Reserve	-	728	728	-
<b>TOTAL REVENUE</b>	<b>4,311,697</b>	<b>4,351,410</b>	<b>\$ 4,390,031</b>	<b>\$ 38,621</b>
Cash Balance Budgeted	376,048	376,048		
<b>TOTAL REVENUE &amp; CASH</b>	<b>\$ 4,687,745</b>	<b>\$ 4,727,458</b>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Instruction	\$ 3,006,514	\$ 2,958,471	\$ 2,616,793	\$ 341,678
Support Services				
Support Services-Students	229,785	307,318	276,813	30,505
Support Services-Instruction	55,085	55,085	44,533	10,552
Support Services-General Administration	275,023	285,246	274,455	10,791
Support Services-School Administration	321,487	321,487	309,622	11,865
Central services	74,863	74,863	73,761	1,102
Operation & Maintenance of Plant	907,571	907,571	719,623	187,948
Student Transportation	11,178	11,178	1,058	10,120
Other Support Services	12,896	12,896	11,589	1,307
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,894,402</b>	<b>\$ 4,934,115</b>	<b>\$ 4,328,247</b>	<b>\$ 605,868</b>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 4,390,031
Differences-Budget to GAAP	
Property tax Receivable	(333)

Total Revenues (GAAP Basis) \$ 4,389,698

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 4,328,247
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 4,328,247</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--TRANSPORTATION FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ 275,620	\$ 277,924	\$ 277,924	\$ -
<b>TOTAL REVENUE</b>	<u>275,620</u>	<u>277,924</u>	<u>\$ 277,924</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>-</u>	<u>-</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 275,620</u>	<u>\$ 277,924</u>		
<b>EXPENDITURES</b>				
Current				
Student Transportation	\$ 275,620	\$ 277,924	\$ 277,924	\$ -
<b>TOTAL EXPENDITURES</b>	<u>\$ 275,620</u>	<u>\$ 277,924</u>	<u>\$ 277,924</u>	<u>\$ -</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 277,924
Differences-Budget to GAAP	
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 277,924</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 277,924
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 277,924</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--GENERAL FUND--INSTRUCTIONAL MATERIALS

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
State Flow Through Grants	\$ 24,848	\$ 32,312	\$ 32,312	\$ -
Refunds	-	-	-	-
<b>TOTAL REVENUE</b>	<u>24,848</u>	<u>32,312</u>	<u>\$ 32,312</u>	<u>\$ -</u>
Cash Balance Budgeted	<u>2,535</u>	<u>2,535</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 27,383</u>	<u>\$ 34,847</u>		
<b>EXPENDITURES</b>				
Current				
Instruction	\$ 38,186	\$ 45,650	\$ 32,644	\$ 13,006
<b>TOTAL EXPENDITURES</b>	<u>\$ 38,186</u>	<u>\$ 45,650</u>	<u>\$ 32,644</u>	<u>\$ 13,006</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 32,312
Differences-Budget to GAAP	
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 32,312</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 32,644
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 32,644</u>

The accompanying footnotes are an integral part of these financial statements.



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--CAPITAL PROJECTS FUND--BOND BUILDING

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Interest Income	\$ 54	\$ 54	\$ 37	\$ (17)
Bond Proceeds	300,000	300,000	32,264	(267,736)
<b>TOTAL REVENUE</b>	<u>300,054</u>	<u>300,054</u>	<u>\$ 32,301</u>	<u>\$ (267,753)</u>
Cash Balance Budgeted	<u>573,183</u>	<u>573,183</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 873,237</u>	<u>\$ 873,237</u>		
<b>EXPENDITURES</b>				
Current				
Other Support Services	\$ 272	\$ 223	\$ 48	\$ 175
Acquisition & Construction	807,688	805,472	330,419	475,053
<b>TOTAL EXPENDITURES</b>	<u>\$ 807,960</u>	<u>\$ 805,695</u>	<u>\$ 330,467</u>	<u>\$ 475,228</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 32,301
Differences-Budget to GAAP	
Total Revenues (GAAP Basis)	<u>\$ 32,301</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 330,467
Differences-budget to GAAP	
Total Expenditures (GAAP Basis)	<u>\$ 330,467</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
AND ACTUAL--CAPITAL PROJECTS FUND--SENATE BILL 9

Year Ended June 30, 2016

	ORIGINAL BUDGET	ADJUSTED BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 66,434	\$ 66,434	\$ 66,011	\$ (423)
Interest Income	-	-	21	21
State Flow Through Grants	90,812	204,037	114,301	(89,736)
<b>TOTAL REVENUE</b>	<u>157,246</u>	<u>270,471</u>	<u>\$ 180,333</u>	<u>\$ (90,138)</u>
Cash Balance Budgeted	<u>199,813</u>	<u>199,813</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 357,059</u>	<u>\$ 470,284</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Support Services-General Administration	\$ 610	\$ 610	\$ 635	\$ (25)
Other Support Services	55	55	-	55
Acquisition & Construction	383,350	496,575	104,116	392,459
<b>TOTAL EXPENDITURES</b>	<u>\$ 384,015</u>	<u>\$ 497,240</u>	<u>\$ 104,751</u>	<u>\$ 392,489</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 180,333
Differences-Budget to GAAP	
Property tax Receivable	879
Prior Year Tax Receivables	(2,198)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 179,014</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 104,751
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 104,751</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

STATEMENT OF REVENUE & EXPENDITURES--BUDGET (NON-GAAP)  
ACTUAL (NON GAAP BUDGETARY BASIS)--DEBT SERVICE FUND

Year Ended June 30, 2016

	ORIGINAL BUDGET	BUDGET	ACTUAL	VARIANCE Favorable (Unfavorable)
<b>REVENUE</b>				
Residential/Non-Residential Taxes	\$ 161,919	\$ 161,919	\$ 176,993	\$ 15,074
Interest Income	8	8	11	3
<b>TOTAL REVENUE</b>	<u>161,927</u>	<u>161,927</u>	<u>\$ 177,004</u>	<u>\$ 15,077</u>
Cash Balance Budgeted	<u>180,358</u>	<u>180,358</u>		
<b>TOTAL REVENUE &amp; CASH</b>	<u>\$ 342,285</u>	<u>\$ 342,285</u>		
<b>EXPENDITURES</b>				
<b>Current</b>				
Support Services-General Administration	\$ 1,619	\$ 1,705	\$ 1,704	\$ 1
Principal	150,000	150,000	150,000	-
Interest and Finance Charges	11,919	11,833	8,792	3,041
Debt Service Reserve	191,260	191,260	-	191,260
<b>TOTAL EXPENDITURES</b>	<u>\$ 354,798</u>	<u>\$ 354,798</u>	<u>\$ 160,496</u>	<u>\$ 194,302</u>

Explanation of Difference between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

**Sources/inflows of resources**

Actual amounts (budgetary basis)	\$ 177,004
Differences-Budget to GAAP	
Property tax Receivable	2,343
Prior Year Tax Receivables	(5,518)
<b>Total Revenues (GAAP Basis)</b>	<u>\$ 173,829</u>

**Uses/outflows of resources**

Actual amounts (budgetary basis)	\$ 160,496
Differences-budget to GAAP	
<b>Total Expenditures (GAAP Basis)</b>	<u>\$ 160,496</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES-- AGENCY FUNDS

Year Ended June 30, 2016

	Balance 6/30/2015	ADDITIONS	DEDUCTIONS	Balance 6/30/2016
Central Office	\$ 611	\$ 1,459	\$ 967	\$ 1,103
High School	141,863	709,387	694,176	157,074
Middle School	4,153	4,306	5,841	2,618
Elementary School	8,823	35,274	32,134	11,963
	<u>\$ 155,450</u>	<u>\$ 750,426</u>	<u>\$ 733,118</u>	<u>\$ 172,758</u>

The accompanying footnotes are an integral part of these financial statements.

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

SCHEDULE OF PLEDGED COLLATERAL

JUNE 30, 2016

	TOTAL DEPOSITS	FDIC INSURANCE	UNINSURED DEPOSITS	COLLATERAL REQUIRED	COLLATERAL PLEGGED	UNINSURED & UNCOLLATERALIZED DEPOSITS	PLEGGED COLLATERAL DEFICIT
JAMES POLK STONE BANK	<u>\$ 2,078,492</u>	<u>\$ 250,000</u>	<u>\$ 1,828,492</u>	<u>\$ 914,246</u>	<u>\$ 1,057,368</u>	<u>\$ 771,124</u>	<u>\$ -</u>
COLLATERAL		CUSIP #	MATURES				
FHLB	\$ 1,006,509	3130A1AQ1	09/26/17				
Univesrity of NM Gallup BQ	50,859	914684DQ	10/15/17				
	<u>\$ 1,057,368</u>						

COLLATERAL IS HELD AT INDEPENDENT BANKERS BANK DALLAS TEXAS

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

BANK RECONCILIATION

June 30, 2016

	<u>OPERATIONAL</u>	<u>TRANSP.</u>	<u>FOOD SERVICES</u>	<u>ATHLETICS</u>	<u>FEDERAL PROJECTS</u>	<u>LOCAL/STATE ACCOUNT</u>
Audited Net Cash						
JUNE 30, 2015	\$ 646,119	\$ -	\$ 200,955	\$ 17,525	\$ 28,912	\$ 41,076
Outstanding Loans	182,266	-	-	-	(94,669)	(87,597)
<b>TOTAL CASH BALANCE</b>						
JUNE 30, 2015	828,385	-	200,955	17,525	(65,757)	(46,521)
Add: Prior year void checks	-	-	-	-	-	-
2014-2015 Revenue	4,390,030	277,924	268,531	14,073	451,708	268,774
Loans Paid Back	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
<b>TOTAL AVAILABLE CASH</b>	5,218,415	277,924	469,486	31,598	385,951	222,253
Prior year void checks	-	-	-	-	-	-
2015-2016 Expenditures	4,328,246	277,924	325,317	18,738	426,366	278,784
Loss on Investment Pool	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
	<u>4,328,246</u>	<u>277,924</u>	<u>325,317</u>	<u>18,738</u>	<u>426,366</u>	<u>278,784</u>
<b>NET CASH, JUNE 30, 2016</b>	890,169	-	144,169	12,860	(40,415)	(56,531)
Cash On hand	-	-	-	-	-	-
Paid back to PED	-	-	-	-	-	-
Held Payroll Checks	-	-	-	-	-	-
Loans (Out) In	(168,675)	-	-	-	82,282	86,393
<b>TOTAL CASH, JUNE 30, 2016</b>	<u>\$ 721,494</u>	<u>\$ -</u>	<u>\$ 144,169</u>	<u>\$ 12,860</u>	<u>\$ 41,867</u>	<u>\$ 29,862</u>

SB-9	ACTIVITIES	INSTRUCTIONAL MATERIALS	BOND BUILDING	DEBT SERVICE
\$ 189,243	\$ 155,450	\$ 13,338	\$ 531,977	\$ 189,338
-	-	-	-	-
189,243	155,450	13,338	531,977	189,338
-	-	-	-	-
180,334	750,426	32,311	32,302	177,003
-	-	-	-	-
369,577	905,876	45,649	564,279	366,341
-	-	-	-	-
104,751	733,118	32,644	330,467	160,496
-	-	-	-	-
-	-	-	-	-
104,751	733,118	32,644	330,467	160,496
264,826	172,758	13,005	233,812	205,845
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 264,826</u>	<u>\$ 172,758</u>	<u>\$ 13,005</u>	<u>\$ 233,812</u>	<u>\$ 205,845</u>

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

BANK SUMMARY

JUNE 30, 2016

Bank	ACCT TYPE	FUND	BANK BALANCE	OUTSTANDING CHECKS	OUTSTANDING DEPOSITS	CASH BALANCE
JAMES POLK STONE BANK	Checking	Operational	* \$ 1,197,771	\$ 234,514	\$ -	\$ 963,257
	Checking	Capital Improvement	* 265,165	339	-	264,826
	Checking	Cafeteria	* -	-	-	-
	Checking	Athletics	* -	-	-	-
	Checking	Debt Service	* 205,845	-	-	205,845
	Checking	Building Fund	* 236,641	2,829	-	233,812
	Checking	Activity Fund	* 173,070	312	-	172,758
Total Wells Fargo Bank			<u>\$ 2,078,492</u>	<u>\$ 237,994</u>	<u>\$ -</u>	1,840,498
				Less: Activity Cash		(172,758)
						<u>\$ 1,667,740</u>

Total Cash

\* Interest Bearing

See Independent Auditor's Report



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY  
Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.09798%	0.09775%
Proportionate share of the net pension liability	\$ 6,346,426	\$ 5,577,343
Covered Employee Payroll	\$ 2,675,168	\$ 2,694,487
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	237.23%	206.99%
Plan fiduciary net position as a percentage of total pension liability	63.97%	66.54

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
SCHEDULE OF CONTRIBUTIONS Educational Retirement Board (ERB) Pension Plan

JUNE 30, 2016

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 416,493	387150
Contributions in relation to the contractually required contribution	\$ 416,493	387150
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,675,168	\$ 2,694,487
Contributions as a percentage of covered-employee payroll	15.57%	14.37%

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION: SCHEDULE OF THE PROPORTIONATE  
SHARE OF NET PENSION LIABILITY and SCHEDULE OF CONTRIBUTIONS Educational  
Retirement Board (ERB) Pension Plan

JUNE 30, 2016

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

**Changes of assumptions.**

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on June 12 2015, ERB implemented the following changes in assumptions for fiscal years 2015 and 2014.

1. Fiscal year 2015 and 2014 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.25% to 3.75%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Update demographic assumptions to use currently published tables
- d. Population growth per year from 0.50% to 0.00%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%
- c. COLA assumption 2.00% per year
- d. Payroll growth remain at 3.50%

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

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS  
VENDOR SCHEDULE

JUNE 30, 2016

Agency Number	Agency Name	RFB#/RFP#	Type of Procurement	Awarded Vendor	Did Vendor Win Contract?	\$ Amount of Award Contract	\$ Amount of Amended Contract
7038	Hagerman Municipal Schools	RFP 14-150 Same	Competitive	CES Same	Winner	\$202,924.13 \$82,783.38	

Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
4216 Balloon Park Rd NE, Albuquerque, NM 87109-5801 Same	Y Y	Y Y	Middle School Roofing Project Elementary School Roofing Project

# Woodard, Cowen & Co.

Certified Public Accountants

INDEPENDENT AUDITOR'S 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* (No Material Weaknesses, no Significant Deficiencies and Reportable Instances of Noncompliance and Other Matters Identified)

Mr. Tim Keller  
New Mexico State Auditor  
School Board  
Hagerman Municipal Schools

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 Hagerman Municipal Schools (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 11, 2016.

## **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

**Portales:** PO Box 445, 118 E. 2<sup>nd</sup> Street Portales NM, 88130 Phone: 575-356-8564 Fax: 575-356-2453  
**Clovis:** PO Box 1874, 116 E. Grand Avenue Clovis NM, 88101 Phone: 575-762-3811 Fax: 575-762-3866

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Handwritten signature in cursive script that reads "Woodard, Cowen & Co.".

Woodard, Cowen & Company

Portales, New Mexico  
November 11, 2016

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2016

PRIOR YEAR AUDIT FINDINGS – Hagerman Municipal Schools

**None**



STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2016

**FINDINGS UNDER AAG-GAS: None**

**FINDINGS UNDER SECTION 12-6-5 NMSA 1978: None**

STATE OF NEW MEXICO  
HAGERMAN MUNICIPAL SCHOOLS

June 30, 2016

OTHER DISCLOSURES

AUDITOR PREPARED FINANCIAL STATEMENTS

These financial statements and related footnotes and supplemental information were prepared by the auditor. The auditor cannot be a part of the District's internal control, thus the preparation of the report is not a substitute for managements' internal control and is not considered in the auditors' evaluation of the severity of the internal control deficiency.

EXIT CONFERENCE

An exit conference, to discuss the contents of this report, was held on November 11, 2016. In attendance at the 10:00 a.m. meeting were Rickey Williams, Superintendent, Chad Hamill, School Board President; Lois Stephens, School Board Secretary; Michelle Riggs, Community Member; Rosa Barila, Parent and Cherryl Andrews, Director of Finance. John McKinley, Jr., CPA represented our firm at this meeting.