



State of New Mexico
Logan Municipal Schools

Annual Financial Report
June 30, 2016

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Certified Public Accountant
Clovis, New Mexico



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State of New Mexico
Logan Municipal Schools
Official Roster
June 30, 2016

Board of Education

Lynn Birch	President
Scott Osborn	Vice-President
Tom Humble	Secretary
Bryan Roach	Member
Tom Bruhn	Member

School Officials

Dennis Roch	Superintendent
Pat Copeland	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

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Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Logan Municipal Schools

Mr. Keller and Members of the Board

Report on Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America require that the Schedules of Required Supplementary Information for Pension Plan and related notes 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 consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires 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 my audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated October 10, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



Clovis, New Mexico
October 10, 2016

Financial Section

State of New Mexico
Logan Municipal Schools
Government Wide-Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 909,090
Taxes Receivable	132,714
Due From Grantor	169,228
Inventory	7,394
Total Current Assets	<u>1,218,426</u>
Noncurrent Assets	
Capital Assets	10,526,507
Less: Accumulated Depreciation	<u>(5,716,439)</u>
Total Noncurrent Assets	<u>4,810,068</u>
Total Assets	<u>6,028,494</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	
Changes of Assumptions	149,802
Contributions Subsequent to Measurement Date	<u>282,024</u>
Total Deferred Outflows of Resources	<u>431,826</u>
Liabilities	
Current Liabilities	
Accounts Payable	20,208
Accrued Interest	14,182
Current Portion of Long-Term Debt	160,000
Total Current Liabilities	<u>194,390</u>
Noncurrent Liabilities	
Bonds	1,640,000
Pension Liability	<u>4,355,314</u>
Total Noncurrent Liabilities	<u>5,995,314</u>
Total Liabilities	<u>6,189,704</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	
Actuarial Experience	80,744
Investment Experience	19,604
Changes in Proportion	<u>137,280</u>
Total Deferred Inflows of Resources	<u>237,628</u>
Net Position	
Net Investment in Capital Assets	3,010,068
Restricted for:	
Capital Projects	222,719
Debt Service	70,368
Unrestricted	<u>(3,270,167)</u>
Total Net Position	<u>\$ 32,988</u>

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

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

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 2,443,003	\$ 34,581	\$ 251,326	\$ 0	\$ (2,157,096)
Support Services					
Students	542,945	0	0	0	(542,945)
Instruction	70,999	0	75,142	0	4,143
General Administration	162,482	0	0	0	(162,482)
School Administration	114,148	0	0	0	(114,148)
Central Services	127,523	0	0	0	(127,523)
Operation of Plant	594,960	0	364		(594,596)
Student Transportation	230,078	0	227,655	0	(2,423)
Other	1,372	0	0	0	(1,372)
Food Services Operations	122,106	33,204	103,942	0	15,040
Interest Expense	86,841	0	0	0	(86,841)
Total Governmental Activities	\$ 4,496,457	\$ 67,785	\$ 658,429	\$ 0	(3,770,243)

General Revenues

Taxes	
Property Taxes, Levied for General Purposes	34,160
Property Taxes, Levied for Capital Projects	137,851
Property Taxes, Levied for Debt Service	253,343
Federal and State aid not restricted to specific purpose	
General	3,036,025
Capital	119,866
Interest and investment earnings	5,169
Miscellaneous	18,900
Subtotal, General Revenues	3,605,314
Change in Net Position	(164,929)
Net Position -Beginning	103,834
Restatement	94,083
Restated Beginning Net Position	197,917
Net Position - Ending	\$ 32,988

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

State of New Mexico
Logan Municipal Schools
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Assets			
Cash and Cash Equivalents	\$ 588,611	\$ 0	\$ 10,164
Receivables			
Property Taxes	10,609	0	0
Due From Grantor	0	0	0
Interfund Balances	159,415	0	0
Inventory	0	0	0
Total Assets	\$ 758,635	\$ 0	\$ 10,164
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 11,820	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	11,820	0	0
Deferred Inflows of Resources			
Unavailable Revenue	9,825	0	0
Total Deferred Inflows of Resources	9,825	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Unassigned	736,990	0	10,164
Total Fund Balances	736,990	0	10,164
Total Liabilities, Deferred Inflows and Fund Balances	\$ 748,810	\$ 0	\$ 10,164

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

State of New Mexico
Logan Municipal Schools
Governmental Funds
Balance Sheet
June 30, 2016

	Special Revenue		
	IDEA B	Capital Projects	
	Entitlement	Special Capital	Senate
	24106	Outlay-State	Bill Nine
		31400	31700
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 200,933
Receivables			
Property Taxes	0	0	42,434
Due From Grantor	36,837	103,530	9,813
Interfund Balances	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 36,837</u>	<u>\$ 103,530</u>	<u>\$ 253,180</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 4,247
Interfund Balances	36,837	103,530	0
Total Liabilities	<u>36,837</u>	<u>103,530</u>	<u>4,247</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	41,928
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>41,928</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	207,005
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>207,005</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 36,837</u>	<u>\$ 103,530</u>	<u>\$ 211,252</u>

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

State of New Mexico
Logan Municipal Schools
Governmental Funds
Balance Sheet
June 30, 2016

	Debt Service <u>41000</u>	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 64,127	\$ 45,255	\$ 909,090
Receivables			
Property Taxes	79,671	0	132,714
Due From Grantor	0	19,048	169,228
Interfund Balances	0	0	159,415
Inventory	0	7,394	7,394
Total Assets	<u>\$ 143,798</u>	<u>\$ 71,697</u>	<u>\$ 1,377,841</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 4,141	\$ 20,208
Interfund Balances	0	19,048	159,415
Total Liabilities	<u>0</u>	<u>23,189</u>	<u>179,623</u>
Deferred Inflows of Resources			
Unavailable Revenue	73,430	0	125,183
Total Deferred Inflows of Resources	<u>73,430</u>	<u>0</u>	<u>125,183</u>
Fund Balances			
Nonspendable-Inventory	0	7,394	7,394
Restricted for:			
Special Revenue Funds	0	25,400	25,400
Capital Projects	0	15,714	222,719
Debt Service	70,368	0	70,368
Unassigned	0	0	747,154
Total Fund Balances	<u>70,368</u>	<u>48,508</u>	<u>1,073,035</u>
 Total Liabilities, Deferred Inflows and Fund Balances	 <u>\$ 70,368</u>	 <u>\$ 71,697</u>	 <u>\$ 1,252,658</u>

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

State of New Mexico
Logan Municipal Schools
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Assets
 June 30, 2016

Total Fund Balance - Governmental Funds \$ 1,073,035

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

Property taxes receivable will be collected after the period
 of availability, but are not available soon enough to pay for
 the current period's expenditures, and therefore are
 deferred in the funds. 125,183

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

Capital Assets	\$ 10,526,507	
Accumulated Depreciation	<u>(5,716,439)</u>	4,810,068

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

Deferred Outflows Related to Pensions	431,826	
Deferred Inflows Related to Pensions	<u>(237,628)</u>	194,198

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

Accrued interest on bonds	(14,182)	
Bonds payable	(1,800,000)	
Pension Liability	<u>(4,355,314)</u>	<u>(6,169,496)</u>

Total Net Position - Governmental Activities \$ 32,988

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

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

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Revenues			
Property Taxes	\$ 31,041	\$ 0	\$ 0
Interest Income	3,050	0	0
Fees	3,142	0	0
State & Local Grants	3,036,025	227,655	21,374
Federal Grants	0	0	0
Miscellaneous	18,900	0	0
Total Revenues	3,092,158	227,655	21,374
Expenditures			
Current			
Instruction	1,730,407	0	11,210
Support Services			
Students	533,772	0	0
Instruction	5,651	0	0
General Administration	158,390	0	0
School Administration	114,285	0	0
Central Services	127,624	0	0
Operation and Maintenance of Plant	503,354	0	0
Student Transportation	0	230,103	0
Other	1,372	0	0
Food Services	4,084	0	0
Capital Outlay	26,638	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	3,205,577	230,103	11,210
Excess (Deficiency) of Revenues Over Expenditures	(113,419)	(2,448)	10,164
Fund Balances at Beginning of Year	850,409	2,448	0
Restatement	0	0	0
Restated Beginning Fund Balance	850,409	2,448	0
Fund Balance End of Year	\$ 736,990	\$ 0	\$ 10,164

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

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

	Special		
	Revenue	Capital Projects	
	IDEA B Entitlement 24106	Special Capital Outlay-State 31400	Senate Bill Nine 31700
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 122,748
Interest Income	0	0	387
Fees	0	0	0
State & Local Grants	0	110,053	9,813
Federal Grants	131,066	0	0
Miscellaneous	0	0	0
Total Revenues	131,066	110,053	132,948
Expenditures			
Current			
Instruction	65,351	1,493	5,637
Support Services			
Students	0	0	0
Instruction	65,351	0	0
General Administration	0	0	1,093
School Administration	0	0	0
Central Services	0	0	0
Operation and Maintenance of Plant	364	0	91,492
Student Transportation	0	0	0
Other	0	0	0
Food Services	0	0	0
Capital Outlay	0	100,000	117,683
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	131,066	101,493	215,905
Excess (Deficiency) of Revenues Over Expenditures	0	8,560	(82,957)
Fund Balances at Beginning of Year	(59)	23,762	257,640
Restatement	59	(32,322)	32,322
Restated Beginning Fund Balance	0	(8,560)	289,962
Fund Balance End of Year	\$ 0	\$ 0	\$ 207,005

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

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

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
Revenues			
Property Taxes	\$ 242,185	\$ 0	\$ 395,974
Interest Income	48	1,684	5,169
Fees	0	64,643	67,785
State & Local Grants	0	108,854	3,513,774
Federal Grants	0	169,480	300,546
Miscellaneous	0	0	18,900
Total Revenues	<u>242,233</u>	<u>344,661</u>	<u>4,302,148</u>
Expenditures			
Current			
Instruction	0	270,761	2,084,859
Support Services			
Students	0	9,791	543,563
Instruction	0	0	71,002
General Administration	2,158	991	162,632
School Administration	0	0	114,285
Central Services	0	0	127,624
Operation and Maintenance of Plant	0	0	595,210
Student Transportation	0	0	230,103
Other	0	0	1,372
Food Services	0	118,046	122,130
Capital Outlay	0	90,248	334,569
Debt Service			
Principal	150,000	0	150,000
Interest	91,779	0	91,779
Total Expenditures	<u>243,937</u>	<u>489,837</u>	<u>4,629,128</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,704)</u>	<u>(145,176)</u>	<u>(326,980)</u>
Fund Balances at Beginning of Year	72,072	195,463	1,401,735
Restatement	0	(1,779)	(1,720)
Restated Beginning Fund Balance	<u>72,072</u>	<u>193,684</u>	<u>1,400,015</u>
Fund Balance End of Year	<u>\$ 70,368</u>	<u>\$ 48,508</u>	<u>\$ 1,073,035</u>

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

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

Excess (Deficiency) of Revenues Over Expenditures \$ (326,980)

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

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

Property Taxes Receivable, June 30, 2015	\$ (95,803)	
Property Taxes Receivable, June 30, 2016	125,183	29,380

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

Depreciation expense	\$ (360,147)	
Capital Outlays	334,569	(25,578)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 150,000

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

Accrued Interest, June 30, 2015	19,120	
Accrued Interest, June 30, 2016	(14,182)	4,938

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

Pension Contributions	282,024	
Pension Expense	(278,713)	3,311

Changes in Net Position of Governmental Activities \$ (164,929)

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 29,258	\$ 29,258	\$ 30,448	\$ 1,190
Interest Income	0	0	3,050	3,050
Fees	4,961	4,961	3,142	(1,819)
State & Local Grants	2,987,289	3,036,025	3,036,025	0
Miscellaneous	8,099	8,099	18,900	10,801
Total Revenues	3,029,607	3,078,343	3,091,565	13,222
Expenditures				
Instruction				
Personnel Services	1,257,785	1,290,651	1,135,552	155,099
Employee Benefits	582,130	538,824	396,073	142,751
Professional & Tech Services	50,500	72,072	54,629	17,443
Other Purchased Services	141,000	146,516	91,586	54,930
Supplies	75,700	75,700	24,712	50,988
Supply Assets	5,000	4,151	7,685	(3,534)
Total Instruction	2,112,115	2,127,914	1,710,237	417,677
Support Services				
Students				
Personnel Services	363,040	399,358	365,563	33,795
Employee Benefits	179,325	161,599	149,504	12,095
Professional & Tech Services	8,300	7,045	5,209	1,836
Other Purchased Services	30,000	31,408	12,533	18,875
Supplies	2,000	674	173	501
Supply Assets	0	789	789	0
Total Students	582,665	600,873	533,771	67,102
Instruction				
Personnel Services	10,000	10,000	2,100	7,900
Employee Benefits	2,355	1,980	494	1,486
Professional & Tech Services	0	245	245	0
Other Purchased Services	130	130	113	17
Supplies	2,700	2,700	2,699	1
Total Instruction	15,185	15,055	5,651	9,404
General Administration				
Personnel Services	98,845	98,845	92,844	6,001
Employee Benefits	36,007	36,007	33,949	2,058
Professional & Tech Services	32,875	32,975	25,973	7,002
Other Purchased Services	23,500	23,500	4,607	18,893
Supplies	4,000	3,922	770	3,152
Supply Assets	0	78	78	0
Total General Administration	\$ 195,227	\$ 195,327	\$ 158,221	\$ 37,106

State of New Mexico

Logan Municipal Schools

General Fund-Operational-11000

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
School Administration				
Personnel Services	\$ 84,630	\$ 84,630	\$ 84,630	\$ 0
Employee Benefits	29,490	29,490	28,947	543
Professional & Tech Services	4,000	4,000	33	3,967
Other Purchased Services	2,000	2,000	624	1,376
Supplies	1,000	1,000	0	1,000
Total School Administration	<u>121,120</u>	<u>121,120</u>	<u>114,234</u>	<u>6,886</u>
Central Services				
Personnel Services	62,767	62,767	62,767	0
Employee Benefits	24,564	24,564	23,695	869
Professional & Tech Services	12,000	12,000	3,490	8,510
Purchased Property Services	40,000	40,000	25,586	14,414
Other Purchased Services	12,000	13,000	11,332	1,668
Supplies	11,000	11,000	734	10,266
Supply Assets	2,000	2,000	0	2,000
Total Central Services	<u>164,331</u>	<u>165,331</u>	<u>127,604</u>	<u>37,727</u>
Operation of Plant				
Personnel Services	165,302	166,555	154,978	11,577
Employee Benefits	102,702	97,811	86,653	11,158
Professional & Tech Services	3,000	3,000	968	2,032
Purchased Property Services	209,000	210,045	151,583	58,462
Other Purchased Services	76,000	76,000	75,225	775
Supplies	37,101	42,536	26,584	15,952
Supply Assets	3,000	158	158	0
Purchased Property Services	<u>596,105</u>	<u>596,105</u>	<u>496,149</u>	<u>99,956</u>
Student Transportation				
Capital Outlay	60,000	60,000	26,638	33,362
Total Student Transportation	<u>60,000</u>	<u>60,000</u>	<u>26,638</u>	<u>33,362</u>
Other				
Other Purchased Services	6,000	6,000	1,372	4,628
Total Other	<u>6,000</u>	<u>6,000</u>	<u>1,372</u>	<u>4,628</u>
Total Support Services	<u>1,740,633</u>	<u>1,759,811</u>	<u>1,463,640</u>	<u>262,809</u>
Food Service Operations				
Supplies	0	10,000	4,084	5,916
Total Food Service Operations	<u>0</u>	<u>10,000</u>	<u>4,084</u>	<u>5,916</u>
Total Expenditures	\$ <u>3,852,748</u>	\$ <u>3,897,725</u>	\$ <u>3,177,961</u>	\$ <u>686,402</u>

State of New Mexico

Logan Municipal Schools

General Fund-Operational-11000

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (823,141)	\$ (819,382)	\$ (86,396)	\$ 699,624
Cash Balance Beginning of Year	<u>834,422</u>	<u>834,422</u>	<u>834,422</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 11,281</u>	<u>\$ 15,040</u>	<u>\$ 748,026</u>	<u>\$ 699,624</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (86,396)	
Net Change in Taxes Receivable			6,978	
Net Change in Other Current Assets			(23,013)	
Net Change in Accounts Payable			(4,794)	
Net Change in Deferred Taxes			(6,194)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (113,419)</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 204,283	\$ 227,655	\$ 227,655	\$ 0
Total Revenues	<u>204,283</u>	<u>227,655</u>	<u>227,655</u>	<u>0</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	19,410	15,314	15,314	0
Employee Benefits	17,932	4,309	4,309	0
Professional & Tech Services	100	0	0	0
Purchased Property Services	19,311	33,426	33,426	0
Other Purchased Services	134,705	174,193	174,193	0
Supplies	12,825	413	413	0
Total Student Transportation	<u>204,283</u>	<u>227,655</u>	<u>227,655</u>	<u>0</u>
Total Support Services	<u>204,283</u>	<u>227,655</u>	<u>227,655</u>	<u>0</u>
Total Expenditures	<u>204,283</u>	<u>227,655</u>	<u>227,655</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Other Current Assets			(2,448)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,448)</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 16,097	\$ 21,374	\$ 21,374	\$ 0
Total Revenues	<u>16,097</u>	<u>21,374</u>	<u>21,374</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	16,097	21,374	11,210	10,164
Total Instruction	<u>16,097</u>	<u>21,374</u>	<u>11,210</u>	<u>10,164</u>
Total Expenditures	<u>16,097</u>	<u>21,374</u>	<u>11,210</u>	<u>10,164</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	10,164	10,164
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 10,164</u>	<u>\$ 10,164</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 10,164</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 10,164</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 63,488	\$ 78,339	\$ 33,810	\$ (44,529)
Total Revenues	<u>63,488</u>	<u>78,339</u>	<u>33,810</u>	<u>(44,529)</u>
Expenditures				
Instruction				
Personnel Services	24,300	42,805	41,805	1,000
Employee Benefits	20,648	15,860	15,667	193
Professional & Tech Services	860	2,060	1,823	237
Purchased Property Services	4,500	0	0	0
Other Purchased Services	1,380	1,380	287	1,093
Supplies	3,024	3,024	1,335	1,689
Supply Assets	0	4,434	4,434	0
Total Instruction	<u>54,712</u>	<u>69,563</u>	<u>65,351</u>	<u>4,212</u>
Support Services				
Students				
Professional & Tech Services	6,000	6,000	4,638	1,362
Other Purchased Services	1,250	1,250	368	882
Total Students	<u>7,250</u>	<u>7,250</u>	<u>5,006</u>	<u>2,244</u>
Operation of Plant				
Purchased Property Services	1,600	1,600	364	1,236
Purchased Property Services	1,600	1,600	364	1,236
Total Support Services	<u>8,850</u>	<u>8,850</u>	<u>5,370</u>	<u>3,480</u>
Total Expenditures	<u>63,562</u>	<u>78,413</u>	<u>70,721</u>	<u>7,692</u>
Excess (Deficiency) of Revenues Over Expenditures	(74)	(74)	(36,911)	(36,837)
Cash Balance Beginning of Year	<u>74</u>	<u>74</u>	<u>74</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (36,837)</u>	<u>\$ (36,837)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (36,911)	
Net Change in Due from Grantor			36,837	
Net Change in Deferred Revenue			74	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

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

	<u>Agency Funds</u>
Assets	
Cash in Banks	\$ <u>66,046</u>
Total Assets	\$ <u><u>66,046</u></u>
Liabilities	
Deposits Held for Others	\$ <u>66,046</u>
Total Liabilities	\$ <u><u>66,046</u></u>

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

Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

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

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

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

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

Governmental Funds

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

General Fund - The General Fund consist of three sub funds. The first is the Operational Fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The second is the Teacherage Fund of the District and accounts for rental properties that are rented to teachers and administrators that work at the school. The Transportation Fund includes a state grant to provide transportation for students in the District. The Instructional Materials Fund accounts for a state grant to provide text books for students in the District.

State of New Mexico

Logan Municipal Schools

Notes to the Financial Statements

June 30, 2016

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

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

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

Fiduciary Fund Type

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

The Student Activity Fund, an agency fund, accounts for assets held by the District as an agent for the District organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This account is accounted for using the economic resources measurement focus and the accrual basis of accounting.

Major Funds

The District reports the following major governmental funds:

General Fund (11000)(13000)(14000)

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

Special Revenue Fund

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

Major Capital Projects Funds

Special School Capital Outlay State (31400). To account for special appropriations monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading buildings.

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

Major Debt Service Fund

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

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

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

Program Revenues

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

Fund Financial Statements (FFS)

Governmental Funds

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

Revenues

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

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

Revenue Recognition for Grants.

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

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

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

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

Expenditures

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

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

State of New Mexico

Logan Municipal Schools

Notes to the Financial Statements

June 30, 2016

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

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

Cash and Cash Equivalents

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

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

Investments

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

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

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

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

Receivables and Payables

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

Property Taxes

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

Elimination and Reclassifications of Certain Receivables and Payables

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

Inventories and Prepaid Items

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

Capital Assets

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

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

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

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

Capital Leases

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

Compensated Absences

The District contracts with all employees on an annual basis. A terminated employee is paid through the date of dismissal in accordance with their contract. Due to this practice, no liability is reported for unpaid vacation or accumulated sick leave. As no payment is required upon termination of service by employees.

Short -Term Debt

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

Long-Term Liabilities

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

Restricted Net Position

For the government-wide statement of net position, net position is reported as restricted when constraints are placed are either:

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

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

Nonspendable Fund Balance is a category that is not converted into cash such as inventory.

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

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

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

Unassigned fund balance is the residual classification used for reporting spendable fund balance in the General Fund that represents amounts that have not been committed or assigned or restricted.

Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers.

Deferred Inflows of Resources

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

Estimates

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

A. Deposits and Investments

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

First National Bank of New Mexico	Balance Per Bank 06/30/16	Reconciled Balance	Type
<u>Name of Account</u>			
Operational	\$ 996,620	\$ 909,090	Checking-Interest
Activity	169,206	66,046	Checking-Interest
Total Deposited	<u>1,165,826</u>	<u>\$ 975,136</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	915,826		
50% collateral requirement	457,913		
Pledged securities	<u>753,655</u>		
Over (Under) requirement	<u>\$ 295,742</u>		

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

The following securities are pledged:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA Fixed Rate Note	3136G13X5	\$ 499,975	12/27/2023	Irving, TX
San Juan Cty NM Cons Ind SCD	798359JF3	253,680	08/01/2017	Irving, TX
		<u>\$ 753,655</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	753,655
Uninsured and uncollateralized	<u>162,171</u>
Total Deposits	<u>\$ 1,165,826</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016 \$162,171 of the District's bank balance of \$1,165,826 was exposed to custodial credit risk.

B. Receivables

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

	<u>General</u>	<u>Senate Bill Nine</u>	<u>Debt Service</u>	<u>Total Governmental Funds</u>
Property Taxes Receivable:				
Available	\$ 784	\$ 506	\$ 6,241	\$ 7,531
Unavailable	<u>9,825</u>	<u>41,928</u>	<u>73,430</u>	<u>125,183</u>
Total Property Taxes	<u>\$ 10,609</u>	<u>\$ 42,434</u>	<u>\$ 79,671</u>	<u>\$ 132,714</u>

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C. Interfund Receivables, Payables and Transfers

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

Loans from:		Loans to:	
Operational	\$ 159,415	IDEA B Entitlement-24106	\$ 36,837
		Special Capital Outlay-31400	103,530
		Other Governmental Funds	19,048
	<u>\$ 159,415</u>		<u>\$ 159,415</u>

Loans were made from the Operational fund to above funds to cover the cash balances while awaiting reimbursements from PED. All loans are expected to be repaid within one year.

D. Capital Assets

Capital Assets Balances and Activity for the Year Ended June 30, 2016, is as follows:

	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 84,354	\$ 0	\$ 0	\$ 84,354
Total Capital Assets not being Depreciated	<u>84,354</u>	<u>0</u>	<u>0</u>	<u>84,354</u>
Capital Assets, being Depreciated				
Buildings & Improvements	9,280,006	99,432	(9,383)	9,370,055
Equipment, Vehicles, Information	941,551	235,138	(104,591)	1,072,098
Total Capital Assets, being Depreciated	<u>10,221,557</u>	<u>334,570</u>	<u>(113,974)</u>	<u>10,442,153</u>
Total Capital Assets	<u>10,305,911</u>	<u>334,570</u>	<u>(113,974)</u>	<u>10,526,507</u>
Less Accumulated Depreciation				
Buildings & Improvements	4,942,232	237,298	(9,383)	5,170,147
Equipment, Vehicles, Information	528,034	122,850	(104,591)	546,293
Total Accumulated Depreciation	<u>5,470,266</u>	<u>360,148</u>	<u>(113,974)</u>	<u>5,716,440</u>
Capital Assets, net	<u>\$ 4,835,645</u>	<u>\$ (25,578)</u>	<u>\$ 0</u>	<u>\$ 4,810,067</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 360,148
Total depreciation expenses	<u>\$ 360,148</u>

E. Long-Term Liabilities and Other Liabilities

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

	Balance 6/30/15	Additions	Reductions	Balance 6/30/16	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,950,000	\$ 0	\$ 150,000	\$ 1,800,000	\$ 160,000
Total Bonds	<u>\$ 1,950,000</u>	<u>\$ 0</u>	<u>\$ 150,000</u>	<u>\$ 1,800,000</u>	<u>\$ 160,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

<u>Series</u>	<u>Date of Issue</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance</u>
2009	04/15/09	1,500,000	4.2%-5.25%	925,000
2011	04/15/11	1,000,000	3.0%-5.0%	875,000
				\$ 1,800,000

The annual requirements to amortize all of the general obligation bonds as of June 30, 2016, including interest payments are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 160,000	\$ 27,315	\$ 187,315
2018	170,000	19,188	189,188
2019	175,000	12,188	187,188
2020	175,000	5,625	180,625
2021	175,000	54,598	229,598
2022-2026	945,000	140,870	1,085,870
	\$ 1,800,000	\$ 259,784	\$ 2,059,784

F. Commitments

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

G. Retirement Plan

Summary of Significant Accounting Policies

Pensions. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Educational Retirement Board (ERB) and additions to/deductions from ERB’s fiduciary net position have been determined on the same basis as they are reported by ERB, on the economic resources measurement focus and accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the Pension Plan

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

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

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

For members employed before July 1, 2010, a member is eligible to retire when one of the following events occurs: the member's age and earned service credit add up to the sum of 75 or more; the member is at least sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

Chapter 288, Laws of 2009 changed the eligibility requirements for new members first employed on or after July 1, 2010. The eligibility for a member who either becomes a new member on or after July 1, 2010, or at any time prior to that date refunded all member contributions and then became, or becomes, reemployed after that date is as follows: the member's age and earned service credit add up to the sum of 80 or more; the member is at least sixty-seven years of age and has five or more years of earned service credit; or the member has service credit totaling 30 years or more.

The benefit is paid as a monthly life annuity with a guarantee that, if the payments made do not exceed the member's accumulated contributions plus accumulated interest, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. There are three benefit options available: single life annuity; single life annuity monthly benefit reduced to provide for a 100% survivor's benefit; or single life annuity monthly benefit is reduced to provide for a 50% survivor's benefit.

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2013 the COLA adjustment was equal to one-half the change in the Consumer Price Index (CPI), except that the COLA shall not exceed 4% nor be less than 2%, unless the change in CPI is less than 2%, in which case, the COLA would equal the change in the CPI, but never less than zero. As of July 1, 2013, for current and future retirees the COLA was immediately reduced until the plan is 100% funded. The COLA reduction was based on the median retirement benefit of all retirees excluding disability retirements. Retirees with benefits at or below the median and with 25 or more years of service credit will have a 10% COLA reduction; their average COLA will be 1.8%. All other retirees will have a 20% COLA reduction; their average COLA will be 1.6%. Once the funding is greater than 90%, the COLA reductions will decrease. The retirees with benefits at or below the median and with 25 or more years of service credit will have a 5% COLA reduction; their average COLA will be 1.9%. All other retirees will have a 10% COLA reduction; their average will be 1.8%. Members on disability retirement are entitled to a COLA commencing on July 1 of the third full year following disability retirement. A member on regular retirement who can prove retirement because of a disability may qualify for a COLA beginning July 1 in the third full year of retirement.

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A member is eligible for a disability benefit provided (a) he or she has credit for at least 10 years of service, and (b) the disability is approved by ERB. The monthly benefit is equal to 2% of FAS times years of service, but not less than the smaller of (a) one-third of FAS or (b) 2% of FAS times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For fiscal year ended June 30, 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 \$282,024 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$4,355,314 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District proportion was 0.06724 percent, which was a decrease of 0.00228 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$278,713. At the 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
Differences between expected and actual experience	\$ 0	\$ 80,744
Changes of assumptions	149,802	0
Net difference between projected and actual earnings on pension plan investments	0	19,604
Changes in proportion and differences between the District's contributions and proportionate share of contributions	0	137,280
District's contributions subsequent to the measurement date	282,024	0
Total	<u>\$ 431,826</u>	<u>\$ 237,628</u>

\$282,024 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ (62,537)
2017	(58,331)
2018	(27,421)
2019	60,463
Total	<u>\$ (87,826)</u>

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

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

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

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

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

For purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

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

Actuarial Cost Method	Entry Age
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%

Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

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

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate Assumption: Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015. In particular, the table presents the District's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Districts' proportionate share of the net pension liability	\$ 5,860,366	\$ 4,355,314	\$ 3,090,914

Pension plan fiduciary net position. Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

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

H. Retiree Health Care

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

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the period of time between the employer's effective date and the date of retirement; 2) retirees defined by the Act who retired prior to July 1, 1990; 3) former legislators who served at least two years; and 4) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2015, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$30,508, \$30,998, and \$29,269 respectively, which equal the required contributions for each year.

I. Reconciliation of Budgetary Basis to GAAP Basis Statements

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

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

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

The reconciliation of budgetary basis to GAAP basis statements are located at the bottom of each budget actual.

J. Risk Management

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

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

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

K. Joint Powers Agreements

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

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

The REC funds include IDEA B Entitlement and IDEA Preschool. The REC has not reimbursed the District or paid expenditures on behalf of the District. The REC assisted in writing the SPED Federal grants.

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

A joint powers agreement (College Dual Enrollment Agreement) was entered into with Logan Municipal Schools, Clovis Community College, Eastern New Mexico University, and Mesalands Community College. The purpose of the agreement is to provide higher education to qualified Logan High School junior and senior students in both technical and arts and science courses.

The agreement became effective on July 1, 2015 - June 30, 2016 where agreement shall automatically renew annually unless either party notifies intent to terminate. and is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

Logan Municipal Schools will be responsible for tuition and enrollment fees for the junior and senior students of Logan Municipal Schools. The total cost will vary depending on the number of junior's and senior's that are enrolled.

L. Related Party Transactions

The District purchases supplies from Bruhn Hardware which is owned by a board member. During this fiscal year Bruhn Hardware was paid for supplies totaling \$8,258.47.

The District contracted with an individual as a bus contractor who is related to a school member and has an ownership interest in Bruhn Hardware. The total paid for to the bus contractor was \$56,480.00.

The District also made purchases from a business, Amy's Bloomin Thing, who is owned by a school member's spouse. Total purchases were \$2,433.79.

L. Subsequent Events

Subsequent events were evaluated through October 10, 2016 which is the date the financial statements were available to be issued.

M. Restatement

Net Position was restated \$94,083 of which \$95,803 is for outstanding property taxes for the year ended June 30, 2015 and \$(1,720) is for fund balance explained below.

Fund Balance was restated as follows:

IDEA-B Entitlement-24106	\$	59
Special Capital Outlay-State-31400		(32,322)
Senate Bill Nine-31700		32,322
Title I-24101		<u>(1,779)</u>
	\$	<u><u>(1,720)</u></u>

N. Negative Net Position

The total Net Position for the District as of June 30, 2016 was \$(27,030).

**Supplemental Information Related to
Major Funds**

State of New Mexico

Logan Municipal Schools

Capital Project Fund-Special Capital Outlay-State-31400

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 103,531	\$ 6,523	\$ (97,008)
Total Revenues	<u>0</u>	<u>103,531</u>	<u>6,523</u>	<u>(97,008)</u>
Expenditures				
Capital Outlay				
Fixed Assets	0	103,531	101,493	2,038
Total Capital Outlay	<u>0</u>	<u>103,531</u>	<u>101,493</u>	<u>2,038</u>
Total Expenditures	<u>0</u>	<u>103,531</u>	<u>101,493</u>	<u>2,038</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(94,970)</u>	<u>(94,970)</u>
Cash Balance Beginning of Year	23,762	23,762	23,762	0
Restatement	<u>0</u>	<u>0</u>	<u>(32,322)</u>	<u>(32,322)</u>
Restated Beginning Cash Balance	<u>23,762</u>	<u>23,762</u>	<u>(8,560)</u>	<u>(32,322)</u>
Cash Balance End of Year	<u>\$ 23,762</u>	<u>\$ 23,762</u>	<u>\$ (103,530)</u>	<u>\$ (127,292)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (94,970)	
Net Change in Due from Grantor			<u>103,530</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 8,560</u>	

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

State of New Mexico

Logan Municipal Schools

Capital Project Fund-Senate Bill Nine-31700

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 117,060	\$ 117,060	\$ 122,241	\$ 5,181
Interest Income	500	500	387	(113)
Total Revenues	<u>117,560</u>	<u>117,560</u>	<u>122,628</u>	<u>5,068</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	<u>1,093</u>	<u>1,093</u>	<u>1,093</u>	<u>0</u>
Total General Administration	<u>1,093</u>	<u>1,093</u>	<u>1,093</u>	<u>0</u>
Total Support Services	<u>1,093</u>	<u>1,093</u>	<u>1,093</u>	<u>0</u>
Capital Outlay				
Purchased Property Services	250,207	149,383	71,621	77,762
Supplies	10,000	10,637	21,260	(10,623)
Fixed Assets	95,000	237,321	117,683	119,638
Total Capital Outlay	<u>355,207</u>	<u>397,341</u>	<u>210,564</u>	<u>186,777</u>
Total Expenditures	<u>356,300</u>	<u>398,434</u>	<u>211,657</u>	<u>186,777</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(238,740)</u>	<u>(280,874)</u>	<u>(89,029)</u>	<u>191,845</u>
Cash Balance Beginning of Year	257,640	257,640	257,640	0
Restatement	0	0	32,322	32,322
Restated Beginning Cash Balance	<u>257,640</u>	<u>257,640</u>	<u>289,962</u>	<u>32,322</u>
Cash Balance End of Year	<u>\$ 18,900</u>	<u>\$ (23,234)</u>	<u>\$ 200,933</u>	<u>\$ 224,167</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (89,029)	
Net Change in Taxes Receivable			38,326	
Net Change in Due from Grantor			9,813	
Net Change in Accounts Payable			(4,247)	
Net Change in Deferred Taxes			(37,820)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (82,957)</u>	

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

State of New Mexico

Logan Municipal Schools

Debt Service-41000

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Property Taxes	\$ 242,529	\$ 242,529	\$ 235,944	\$ (6,585)
Interest Income	60	60	48	(12)
Total Revenues	<u>242,589</u>	<u>242,589</u>	<u>235,992</u>	<u>(6,597)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	<u>2,280</u>	<u>2,280</u>	<u>2,158</u>	<u>122</u>
Total General Administration	<u>2,280</u>	<u>2,280</u>	<u>2,158</u>	<u>122</u>
Total Support Services	<u>2,280</u>	<u>2,280</u>	<u>2,158</u>	<u>122</u>
Debt Service				
Principal	150,000	150,000	150,000	0
Interest	<u>144,994</u>	<u>144,994</u>	<u>91,779</u>	<u>53,215</u>
Total Debt Service	<u>294,994</u>	<u>294,994</u>	<u>241,779</u>	<u>53,215</u>
Total Expenditures	<u>297,274</u>	<u>297,274</u>	<u>243,937</u>	<u>53,337</u>
Excess (Deficiency) of Revenues Over Expenditures	(54,685)	(54,685)	(7,945)	46,740
Cash Balance Beginning of Year	<u>72,072</u>	<u>72,072</u>	<u>72,072</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 17,387</u>	<u>\$ 17,387</u>	<u>\$ 64,127</u>	<u>\$ 46,740</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,945)	
Net Change in Taxes Receivable			74,194	
Net Change in Deferred Taxes			<u>(67,953)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,704)</u>	

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

**Supplemental Information Related to
Nonmajor Funds**

Nonmajor Special Revenue Funds

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

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

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

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

Fresh Fruit & Vegetable Program (24118). To account for a Federal grant to provide a variety of free fresh fruits and vegetables to children to help create a healthier school environment. Funding is authorized by the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act, signed in November 2005, Public Law 109-97.

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

Improving Teacher Quality (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Rural Education Achievement Program (25233). Part B of Title VI of the reauthorized ESEA contains Rural Education Achievement Program (REAP) initiatives that are designed to help rural districts that may lack the personnel and resources to compete effectively for Federal competitive grants and that often receive grant allocations in amounts that are too small to be effective in meeting their intended purposes.

Pre-K (26107). To account for revenues and expenditure received from a grant funded through the Regional Education Cooperative #6 to provide for the education of preschool students. The fund was created by a memorandum of understanding.

State of New Mexico

Logan Municipal Schools

June 30, 2016

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

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

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

Breakfast for Elementary Students (27155). To account for funds received to provide breakfast for all elementary students. The fund was created by grant provisions.

Nonmajor Capital Projects Funds

Bond Building (31100). The revenues are derived from a bond debt levy. Expenditures are restricted to capital improvements.

State of New Mexico
Logan Municipal Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
Assets			
Cash and Cash Equivalents	\$ 17,340	\$ 12,201	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	5,356
Inventory	7,394	0	0
Total Assets	\$ 24,734	\$ 12,201	\$ 5,356
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 14	\$ 4,127	\$ 0
Interfund Balances	0	0	5,356
Total Liabilities	14	4,127	5,356
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balance			
Nonspendable-Inventory	7,394	0	0
Restricted for:			
Special Revenue Funds	17,326	8,074	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	24,720	8,074	0
Total Liabilities, Deferred Inflows and Fund Balances	24,734	\$ 12,201	\$ 5,356

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

State of New Mexico
Logan Municipal Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	IDEA Preschool 24109	Fresh Fruit & Vegetables 24118	IDEA B Reallocation 24120
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	60	0	55
Inventory	0	0	0
Total Assets	<u>\$ 60</u>	<u>\$ 0</u>	<u>\$ 55</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	60	0	55
Total Liabilities	<u>60</u>	<u>0</u>	<u>55</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 60</u>	<u>\$ 0</u>	<u>\$ 55</u>

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

State of New Mexico
Logan Municipal Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Improving Teacher Quality 24154	Rural Education REAP 25233	Pre-K 26107
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	\$ 0	\$ 0	\$ 0
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	0
Total Liabilities	0	0	0
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	0	0	0
Total Liabilities, Deferred Inflows and Fund Balances	\$ 0	\$ 0	\$ 0

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

State of New Mexico
Logan Municipal Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Dual Credit Instructional Materials 27103	Go Student Library 27107	NM Reads to Lead 27114
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	13,577
Inventory	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,577</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balances	0	0	13,577
Total Liabilities	<u>0</u>	<u>0</u>	<u>13,577</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,577</u>

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

State of New Mexico
Logan Municipal Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue	Capital Outlay	
	Breakfast for Elementary Students 27155	Bond Building 31100	Total
Assets			
Cash and Cash Equivalents	\$ 0	\$ 15,714	\$ 45,255
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	19,048
Inventory	0	0	7,394
Total Assets	<u>\$ 0</u>	<u>\$ 15,714</u>	<u>\$ 71,697</u>
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 4,141
Interfund Balances	0	0	19,048
Total Liabilities	<u>0</u>	<u>0</u>	<u>23,189</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance			
Nonspendable-Inventory	0	0	7,394
Restricted for:			
Special Revenue Funds	0	0	25,400
Capital Projects	0	15,714	15,714
Debt Service	0	0	0
Total Fund Balances	<u>0</u>	<u>15,714</u>	<u>48,508</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 0</u>	<u>\$ 15,714</u>	<u>\$ 71,697</u>

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

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

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	33,204	31,439	0
State & Local Grants	0	0	0
Federal Grants	96,560	0	28,257
Total Revenues	<u>129,764</u>	<u>31,439</u>	<u>28,257</u>
Expenditures			
Current			
Instruction	0	33,956	28,257
Support Services			
Instruction	0	0	0
General Administration	0	0	0
Food Services	110,664	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>110,664</u>	<u>33,956</u>	<u>28,257</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>19,100</u>	<u>(2,517)</u>	<u>0</u>
Fund Balances at Beginning of Year	5,620	10,591	1,779
Restatement	0	0	(1,779)
Restated Beginning Fund Balance	<u>5,620</u>	<u>10,591</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 24,720</u>	<u>\$ 8,074</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	IDEA Preschool 24109	Fresh Fruit & Vegetables 24118	IDEA B Reallocation 24120
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	4,929	6,136	55
Total Revenues	<u>4,929</u>	<u>6,136</u>	<u>55</u>
Expenditures			
Current			
Instruction	4,929	0	55
Support Services			
Instruction	0	0	0
General Administration	0	0	0
Food Services	0	6,136	0
Capital Outlay	0	0	0
Total Expenditures	<u>4,929</u>	<u>6,136</u>	<u>55</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	Improving Teacher Quality 24154	Rural Education REAP 25233	Pre-K 26107
	<u>24154</u>	<u>25233</u>	<u>26107</u>
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	45,960
Federal Grants	<u>7,620</u>	<u>25,923</u>	<u>0</u>
Total Revenues	<u>7,620</u>	<u>25,923</u>	<u>45,960</u>
Expenditures			
Current			
Instruction	7,620	25,923	45,960
Support Services			
Instruction	0	0	0
General Administration	0	0	0
Food Services	0	0	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>7,620</u>	<u>25,923</u>	<u>45,960</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	<u>0</u>	<u>0</u>	<u>0</u>
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	Dual Credit Instructional Materials 27103	Go Student Library 27107	NM Reads to Lead 27114
Revenues			
Interest Income	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	1,857	9,791	50,000
Federal Grants	0	0	0
Total Revenues	<u>1,857</u>	<u>9,791</u>	<u>50,000</u>
Expenditures			
Current			
Instruction	1,857	0	50,000
Support Services			
Instruction	0	9,791	0
General Administration	0	0	0
Food Services	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>1,857</u>	<u>9,791</u>	<u>50,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances at Beginning of Year	0	0	0
Restatement	0	0	0
Restated Beginning Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue <u>Breakfast for Elementary Students 27155</u>	Capital Outlay <u>Bond Building 31100</u>	<u>Total</u>
Revenues			
Interest Income	\$ 0	\$ 1,684	\$ 1,684
Fees	0	0	64,643
State & Local Grants	1,246	0	108,854
Federal Grants	0	0	169,480
Total Revenues	<u>1,246</u>	<u>1,684</u>	<u>344,661</u>
Expenditures			
Current			
Instruction	0	72,204	270,761
Support Services			
Instruction	0	0	9,791
General Administration	0	991	991
Food Services	1,246	0	118,046
Capital Outlay	0	90,248	90,248
Total Expenditures	<u>1,246</u>	<u>163,443</u>	<u>489,837</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>(161,759)</u>	<u>(145,176)</u>
Fund Balances at Beginning of Year	0	177,473	195,463
Restatement	0	0	(1,779)
Restated Beginning Fund Balance	<u>0</u>	<u>177,473</u>	<u>193,684</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 15,714</u>	<u>\$ 48,508</u>

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 52,112	\$ 52,112	\$ 33,204	\$ (18,908)
Federal Grants	90,000	90,000	85,483	(4,517)
Total Revenues	<u>142,112</u>	<u>142,112</u>	<u>118,687</u>	<u>(23,425)</u>
Expenditures				
Food Service				
Personnel Services	38,760	38,772	15,011	23,761
Employee Benefits	29,895	29,395	17,168	12,227
Professional & Tech Services	150	292	292	0
Other Purchased Services	1,750	2,550	930	1,620
Supplies	81,814	81,360	70,309	11,051
Supply Assets	250	250	28	222
Total Food Service	<u>152,619</u>	<u>152,619</u>	<u>103,738</u>	<u>48,881</u>
Total Expenditures	<u>152,619</u>	<u>152,619</u>	<u>103,738</u>	<u>48,881</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,507)	(10,507)	14,949	25,456
Cash Balance Beginning of Year	<u>2,391</u>	<u>2,391</u>	<u>2,391</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (8,116)</u>	<u>\$ (8,116)</u>	<u>\$ 17,340</u>	<u>\$ 25,456</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 14,949	
Net Change in Inventory			4,165	
Net Change in Accounts Payable			(14)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 19,100</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 28,000	\$ 28,000	\$ 31,439	\$ 3,439
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>31,439</u>	<u>3,439</u>
Expenditures				
Instruction				
Professional & Tech Services	2,000	4,099	4,098	1
Other Purchased Services	2,452	0	0	0
Supplies	1,000	821	200	621
Supply Assets	25,000	25,532	25,531	1
Total Instruction	<u>30,452</u>	<u>30,452</u>	<u>29,829</u>	<u>623</u>
Total Expenditures	<u>30,452</u>	<u>30,452</u>	<u>29,829</u>	<u>623</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,452)	(2,452)	1,610	4,062
Cash Balance Beginning of Year	<u>10,591</u>	<u>10,591</u>	<u>10,591</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,139</u>	<u>\$ 8,139</u>	<u>\$ 12,201</u>	<u>\$ 4,062</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,610	
Net Change in Accounts Payable			<u>(4,127)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (2,517)</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 36,753	\$ 49,878	\$ 28,130	\$ (21,748)
Total Revenues	<u>36,753</u>	<u>49,878</u>	<u>28,130</u>	<u>(21,748)</u>
Expenditures				
Instruction				
Personnel Services	16,760	16,760	16,760	0
Employee Benefits	14,509	10,510	4,658	5,852
Professional & Tech Services	255	15,474	5,520	9,954
Other Purchased Services	0	1,000	414	586
Supplies	0	584	584	0
Supply Assets	0	321	321	0
Total Instruction	<u>31,524</u>	<u>44,649</u>	<u>28,257</u>	<u>16,392</u>
Total Expenditures	<u>31,524</u>	<u>44,649</u>	<u>28,257</u>	<u>16,392</u>
Excess (Deficiency) of Revenues Over Expenditures	5,229	5,229	(127)	(5,356)
Cash Balance Beginning of Year	<u>(5,229)</u>	<u>(5,229)</u>	<u>(5,229)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(5,356)</u>	\$ <u>(5,356)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (127)	
Net Change in Due from Grantor			<u>127</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

State of New Mexico
Logan Municipal Schools
Special Revenue Fund- IDEA Preschool-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 5,129	\$ 5,238	\$ 4,868	\$ (370)
Total Revenues	<u>5,129</u>	<u>5,238</u>	<u>4,868</u>	<u>(370)</u>
Expenditures				
Instruction				
Supplies	5,129	2,282	1,972	310
Supply Assets	0	2,956	2,956	0
Total Instruction	<u>5,129</u>	<u>5,238</u>	<u>4,928</u>	<u>310</u>
Total Expenditures	<u>5,129</u>	<u>5,238</u>	<u>4,928</u>	<u>310</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(60)	(60)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (60)</u>	<u>\$ (60)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (60)	
Net change in Due from Grantor			<u>60</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Logan Municipal Schools

Special Revenue Fund-Fresh Fruit & Vegetables-24118

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 6,136	\$ 6,136	\$ 0
Total Revenues	<u>0</u>	<u>6,136</u>	<u>6,136</u>	<u>0</u>
Expenditures				
Food Service Operations				
Supplies	0	6,136	6,136	0
Total Food Service Operations	<u>0</u>	<u>6,136</u>	<u>6,136</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>6,136</u>	<u>6,136</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Logan Municipal Schools

Special Revenue Fund-IDEA B Reallocation-24120

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 56	\$ 111	\$ 56	\$ (55)
Total Revenues	<u>56</u>	<u>111</u>	<u>56</u>	<u>(55)</u>
Expenditures				
Instruction				
Supplies	0	55	55	0
Total Instruction	<u>0</u>	<u>55</u>	<u>55</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>55</u>	<u>55</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	56	56	1	(55)
Cash Balance Beginning of Year	<u>(56)</u>	<u>(56)</u>	<u>(56)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (55)</u>	<u>\$ (55)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1	
Net Change in Due from Grantor			<u>(1)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Logan Municipal Schools

Special Revenue Fund-Improving Teacher Quality-24154

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 7,199	\$ 8,091	\$ 7,620	\$ (471)
Total Revenues	<u>7,199</u>	<u>8,091</u>	<u>7,620</u>	<u>(471)</u>
Expenditures				
Instruction				
Professional & Tech Services	7,199	4,399	3,928	471
Other Purchased Services	0	3,692	3,692	0
Total Instruction	<u>7,199</u>	<u>8,091</u>	<u>7,620</u>	<u>471</u>
Total Expenditures	<u>7,199</u>	<u>8,091</u>	<u>7,620</u>	<u>471</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO

Logan Municipal Schools

Special Revenue Fund-Rural Education Achievement Program (REAP)-25233

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grants	\$ 0	\$ 25,922	\$ 25,922	\$ 0
Total Revenues	<u>0</u>	<u>25,922</u>	<u>25,922</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	1	17,429	17,429	0
Employee Benefits	<u>0</u>	<u>8,494</u>	<u>8,494</u>	<u>0</u>
Total Instruction	<u>1</u>	<u>25,923</u>	<u>25,923</u>	<u>0</u>
Total Expenditures	<u>1</u>	<u>25,923</u>	<u>25,923</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(1)	(1)	(1)	0
Cash Balance Beginning of Year	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1)	
Net Change in Deferred Revenue			<u>1</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
Logan Municipal Schools
Special Revenue Fund-Pre-K-26107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Local Grant	\$ 59,572	\$ 59,572	\$ 57,439	\$ (2,133)
Total Revenues	<u>59,572</u>	<u>59,572</u>	<u>57,439</u>	<u>(2,133)</u>
Expenditures				
Instruction				
Personnel Services	31,710	31,823	31,823	0
Employee Benefits	12,790	12,687	12,366	321
Professional & Tech Services	481	471	28	443
Other Purchased Services	1,000	1,000	875	125
Supplies	<u>2,112</u>	<u>2,112</u>	<u>868</u>	<u>1,244</u>
Total Instruction	<u>48,093</u>	<u>48,093</u>	<u>45,960</u>	<u>2,133</u>
Total Expenditures	<u>48,093</u>	<u>48,093</u>	<u>45,960</u>	<u>2,133</u>
Excess (Deficiency) of Revenues Over Expenditures	11,479	11,479	11,479	0
Cash Balance Beginning of Year	<u>(11,479)</u>	<u>(11,479)</u>	<u>(11,479)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,479	
Net Change in Due from Grantor			<u>(11,479)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Logan Municipal Schools

Special Revenue Fund-Dual Credit Instructional Materials-27103

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 217	\$ 2,074	\$ 2,074	\$ 0
Total Revenues	<u>217</u>	<u>2,074</u>	<u>2,074</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>1,857</u>	<u>1,857</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>1,857</u>	<u>1,857</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,857</u>	<u>1,857</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	217	217	217	0
Cash Balance Beginning of Year	<u>(217)</u>	<u>(217)</u>	<u>(217)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 217	
Net Change in Due from Grantor			<u>(217)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
Logan Municipal Schools
Special Revenue Fund-GO Library Books-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 9,791	\$ 9,791	\$ 9,791	\$ 0
Total Revenues	<u>9,791</u>	<u>9,791</u>	<u>9,791</u>	<u>0</u>
Expenditures				
Support Services				
Instruction				
Supplies	9,791	9,791	9,791	0
Total Instruction	<u>9,791</u>	<u>9,791</u>	<u>9,791</u>	<u>0</u>
Total Support Services	<u>9,791</u>	<u>9,791</u>	<u>9,791</u>	<u>0</u>
Total Expenditures	<u>9,791</u>	<u>9,791</u>	<u>9,791</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			0	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

STATE OF NEW MEXICO

Logan Municipal Schools

Special Revenue Fund-NM Reads to Lead-27114

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 62,182	\$ 62,182	\$ 48,605	\$ (13,577)
Total Revenues	<u>62,182</u>	<u>62,182</u>	<u>48,605</u>	<u>(13,577)</u>
Expenditures				
Instruction				
Personnel Services	34,285	34,284	34,284	0
Employee Benefits	15,392	14,270	14,270	0
Professional & Tech Services	0	1,180	1,180	0
Supplies	323	266	266	0
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	12,182	12,182	(1,395)	(13,577)
Cash Balance Beginning of Year	<u>(12,182)</u>	<u>(12,182)</u>	<u>(12,182)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,577)</u>	<u>\$ (13,577)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,395)	
Net Change in Due from Grantor			<u>1,395</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Logan Municipal Schools

Special Revenue Fund-Breakfast for Elementary Students-27155

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 1,246	\$ 1,246	\$ 0
Total Revenues	<u>0</u>	<u>1,246</u>	<u>1,246</u>	<u>0</u>
Expenditures				
Food Service Operations				
Supplies	0	1,246	1,246	0
Total Food Service Operations	<u>0</u>	<u>1,246</u>	<u>1,246</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,246</u>	<u>1,246</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 0	
Net Change in Due from Grantor			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Logan Municipal Schools

Capital Project Fund-Bond Building-31100

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 1,684	\$ 1,684
Total Revenues	<u>0</u>	<u>0</u>	<u>1,684</u>	<u>1,684</u>
Expenditures				
Capital Outlay				
Other Purchased Services	0	0	991	(991)
Fixed Assets	220,236	220,236	90,248	129,988
Supply Assets	<u>0</u>	<u>0</u>	<u>84,307</u>	<u>(84,307)</u>
Total Capital Outlay	<u>220,236</u>	<u>220,236</u>	<u>175,546</u>	<u>44,690</u>
Total Expenditures	<u>220,236</u>	<u>220,236</u>	<u>175,546</u>	<u>44,690</u>
Excess (Deficiency) of Revenues Over Expenditures	(220,236)	(220,236)	(173,862)	46,374
Cash Balance Beginning of Year	<u>189,576</u>	<u>189,576</u>	<u>189,576</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (30,660)</u></u>	<u><u>\$ (30,660)</u></u>	<u><u>\$ 15,714</u></u>	<u><u>\$ 46,374</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (173,862)	
Net Change in Accounts Payable			<u>12,103</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ (161,759)</u></u>	

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

Required Supplemental Information

State of New Mexico
Logan Municipal Schools
 Schedules of Required Supplementary Information for Pension Plan

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

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.06952%	0.06724%
District's proportionate share of the net pension liability	\$ 3,966,615	\$ 4,355,314
District's covered-employee payroll	\$ 1,916,346	\$ 1,835,867
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	206.99%	48.31%
Plan fiduciary net position as a percentage of the total pension	66.54%	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.

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 265,691	\$ 303,219
Contributions in relation to the contractually required contribution	\$ 265,691	\$ 265,691
Contribution deficiency (excess)	\$ 0	\$ 37,528
Districts covered-employee payroll	\$ 1,916,346	\$ 1,835,867
Contributions as a percentage of covered-employee payroll	13.86%	16.52%

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

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

State of New Mexico

Logan Municipal Schools

Notes to Required Supplementary Information

For the Year Ended June 30, 2016

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

Changes of assumptions.

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year

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

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

Other Supplemental Information

Fiduciary Fund

Activity Trust Fund

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

State of New Mexico
Logan Municipal Schools
Agency Funds - Activity
Schedule of Fiduciary Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2016

	Balance 06/30/15	Additions	Deductions	Balance 06/30/16
23090 · 6th Grade Class of 2022	\$ 0	\$ 279	\$ 90	\$ 189
23091 · 7th Grade Class of 2021	156	522	17	661
23092 · 8th Grade, Class of 2020	266	96	17	345
23093 · 9th Grade, Class of 2019	2,928	9,330	1,956	10,302
23094 · 10th Grade, Class of 2018	2,125	3,808	2,638	3,295
23095 · 11th Grade, Class of 2017	4,754	18,417	10,562	12,609
23096 · 12th Grade, Class of 2016	8,529	23,206	31,409	326
23097 · Class of 2015	394	270	664	0
23098 · Class of 2014	218	125	343	0
23200 · Athletics	1,432	8,206	9,629	9
23201 · Baseball	255	738	993	0
23202 · Boys Basketball	87	1,785	575	1,297
23203 · Girls Basketball	141	2,180	1,925	396
23204 · Football	1	3,215	1,297	1,919
23206 · Cheerleaders	734	0	0	734
23207 · Volleyball	85	6,064	6,002	147
23209 · Softball	163	1,617	1,503	277
23300 · Cafeteria Workshop	528	13,604	13,605	527
23304 · FFA	796	41,853	41,881	768
23305 · National Honor Society	696	1,811	1,107	1,400
23306 · FFA Nationals	1,428	0	1,270	158
23309 · Library	740	364	805	299
23310 · Preschool	351	271	0	622
23311 · Staff Fund	8,157	6,757	7,008	7,906
23314 · Student Council	2,220	201	591	1,830
23317 · Yearbook	6,792	5,832	6,746	5,878
23322 · Elementary Arts	1,397	405	237	1,565
23323 · Burns Family Foundation	100	0	0	100
23324 · Scholarship Fund	250	500	750	0
23326 · Honor Rewards	941	0	150	791
23328 · Ute Lake Online Learning Cente	96	0	0	96
23329 · District 3A VB/BB	4,049	10,909	5,874	9,084
23331 · Wood Shop	235	700	112	823
23332 · EPAC	907	665	434	1,138
23333 · Chess Club	36	0	0	36
23335 · Elementary Fund	234	574	423	385
23336 · Fellowship of Christian Athlete	0	440	306	134
	<u>\$ 52,221</u>	<u>\$ 164,744</u>	<u>\$ 150,919</u>	<u>\$ 66,046</u>
				66,046
Liabilities				
Deposits Held for Others	\$ 52,221	\$ 164,744	\$ 150,919	\$ 66,046
Total Liabilities	<u>\$ 52,221</u>	<u>\$ 164,744</u>	<u>\$ 150,919</u>	<u>\$ 66,046</u>

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

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

		Beginning Cash Balance 6/30/15	Restatement	Restated Beginning Cash Balance 6/30/15	Revenue	Expenditures	Transfers	Ending Cash Balance 6/30/16
Operational	11000 \$	926,969	(92,547)	834,422 \$	3,091,565 \$	3,177,961	0 \$	748,026
Transportation	13000	0	0	0	227,655	227,655	0	0
Instructional Materials	14000	0	0	0	21,374	11,210	0	10,164
Food Services	21000	2,391	0	2,391	118,687	103,738	0	17,340
Athletics	22000	10,591	0	10,591	31,439	29,829	0	12,201
Federal Flowthrough	24000	(5,210)	0	(5,210)	82,472	117,716	(1,853)	(42,307)
Federal Direct	25000	1	0	1	25,922	25,923	0	0
Local Grants	26000	(11,479)	0	(11,479)	57,439	45,960	0	0
State Flowthrough	27000	(12,399)	0	(12,399)	61,716	62,894	0	(13,577)
Bond Building	31100	189,576	0	189,576	1,684	175,546	0	15,714
Special Capital Outlay-State	31400	23,762	0	23,762	6,523	101,493	(32,322)	(103,530)
Senate Bill Nine	31700	257,640	0	257,640	122,628	211,657	32,322	200,933
Debt Service	41000	72,072	0	72,072	235,992	243,937	0	64,127
Agency Funds		52,220	0	52,220	164,744	150,919	0	66,045
Total		<u>\$ 1,506,134</u>	<u>(92,547)</u>	<u>1,413,587 \$</u>	<u>4,249,840 \$</u>	<u>4,686,438 \$</u>	<u>(1,853) \$</u>	<u>975,136</u>

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

State of New Mexico
Logan Municipal Schools
 Vendor Schedule
 For the Year Ended June 30, 2016

RFB#/RFP# (If applicable)	Type of Procurement	Vendor Name	Did Vendor Win Contract?	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Physical address of vendor (City, State)	Did the Vendor provide documentation of eligibility for in-state preference?	Did the Vendor provide documentation of eligibility for veterans' preference?	Brief Description of the Scope of Work	If the procurement is attributable to a Component Unit, Name of Component
n/a	n/a	Ben E. Keith	Yes	n/a	n/a	n/a	n/a	n/a	Food for School Cafeteria	n/a

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

De'Aun Willoughby CPA, PC

Certified Public Accountant

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(855) 253-4313

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

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Logan Municipal Schools

Mr. Keller and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of Logan Municipal Schools (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 10, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses, that we consider to be significant deficiencies. 2016-001, 2016-002, 2016-003, 2016-004, and 2016-005.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses; 2016-001, 2016-002, 2016-003, 2016-004, and 2016-005.

The District's Responses to Findings

The District's responses to the findings identified in our audit as described in the accompanying Schedule of Findings and Responses. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

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

 CPA PC

Clovis, New Mexico

October 10, 2016

Prior Year Audit Findings	Status
2013-002 Activity Funds	Resolved
2015-001 Travel and Per Diem	Resolved

Current Year Audit Findings

**2016-001 PED Cash Reports -Compliance and Internal Control-Significant Deficiency
 Condition**

The audited cash balances did not agree to the cash balances on the final cash report submitted to PED. The audited balance was \$975,135.62 and the PED report was \$1,075,607.05 for a difference of \$(100,471.43) over reported to PED.

Criteria

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

Cause

The difference between the cash balance and what was reported to PED was the outstanding NMPSIA premiums for the summer payrolls that were not included on the activity outstanding check listing. NMPSIA transactions are held in an activity account rather than in the general ledger. The NMPSIA withholding from employees' earnings and the District's benefit portion for the premiums were not treated as outstanding checks in the activity bank account. The wires to NMPSIA are not recorded in the activity account until the wire is made overstating cash at the District.

Effect

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

Recommendation

NMPSIA should not be held in an activity account and should be accounted for in the general ledger to avoid overstating cash at the District.

Response

The district acknowledges that its practice of holding NMPSIA funds in an activity account created the perception that the district had more cash on hand than was truly available. However, the district will remedy this, not by abandoning the use of the activity account for this in-and-out expense, but by cutting (and holding) checks for future NMPSIA obligations to ensure that cash balances are an accurate reflection of the district's unobligated financial position.

The Business Manager is responsible for this finding and it has been resolved.

2016-002 Stale Dated Checks- Compliance and Internal Control-Significant Deficiency

Condition

The District has three outstanding checks over a year old totaling \$60.00 in the activity accounts. One check was dated August 27, 2008, the other two were dated August 20, 2013.

Criteria

In accordance with 6.20.2.14 whenever any check is unpaid for one year, the fiscal officer shall cancel it in accordance with Section 6-10-57(A), NMSA 1978.

Cause

The assistant business manager was unsure how voiding a check would affect the activity accounts that are kept in Quick Books.

Effect

Carrying numerous bank reconciling items could result in a misstatement in the accounting records or related misappropriation of funds.

Recommendation

A review of all checks issued over one year should occur at year end. All uncleared checks should be researched and resolved before year end process is complete.

Response

The district acknowledges that outstanding checks (over one year old) were not appropriately resolved. In the future, the district will research and resolve such outstanding checks prior to the end of each fiscal year.

The Assistant Business Manager is responsible for this finding and it has been resolved.

**2016-003 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-
 Significant Deficiency
 Condition**

The District maintained a deficit budget in excess of available cash balance in the following funds:

	Budgeted Cash	+	Cash Balance as of July 1, 2016	-	Budgeted Expenditures	=	Cash Appropriations In Excess of Available Cash
Food Service (21000)	\$ 142,112	+	2,391	-	152,619	=	(8,116)
Bond Building (31100)	0	+	189,576	-	220,236	=	(30,660)
Senate Bill Nine (31700)	\$ 117,560	+	257,640	-	398,434	=	(23,234)

Criteria

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

Cause

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

Effect

The District will be required to supplement this budget deficit in these fund with cash reserves from other funds. This supplement may lead to financial difficulties and deplete the budget in other funds.

Recommendation

The District should compare the year end carryover cash balances with the estimated cash balances in the budget. If the actual cash balance is less than estimated, BARS should be submitted reducing budgeted expenditures to balance the budget.

Response

The district acknowledges that its practice of budgeting expenditures in excess of available cash appears to suggest that deficit spending is possible. Nonetheless, budgeted amounts rarely equal expended amounts, and the district has never expended greater than the budgeted amount without processing a BAR to ensure that no deficit spending occurs.

The Business Manager is responsible for this finding and it has been resolved.

2016-004 Payroll Issues-Compliance and Internal Control-Significant Deficiency

Condition

(1) Of the fifteen employees sampled six were non-exempt employees who we could not determine if overtime was worked and paid correctly. (2) Six of the fifteen employees sampled had incorrectly completed I-9s.

Criteria

(1) Fair Labor Standards Act says payroll records should document hours worked. B85 (2) <https://www.uscis.gov/i-9> provides instructions for completing I-9s.

Cause

(1) An adequate time record system is not in place at the District. (2) Human resource personnel lack adequate training.

Effect

Violations could result in fines and penalties incurred by the District and incorrect compensation for employees.

Recommendation

(1) A time keeping system should be implemented in the District. (2) Additional training is recommended in completing I-9s.

Response

The district acknowledges that its timekeeping system needs improvement to ensure full compliance with FLSA, and the district is seeking quotes from vendors to upgrade/replace this system. In addition, the district has reiterated to all non-exempt employees the provisions of board policy and regulation that require timekeeping and prohibit overtime (without prior administrative approval). The district further acknowledges that the personnel files of several long-time employees had I-9s which were completed incorrectly. The district is taking steps to ensure that all files are completed correctly.

The Administrative Secretary and Business Manager are responsible for this finding and it has been resolved.

2016-005 Receipt Books-Compliance and Internal Control-Significant Deficiency

Condition

There is not a separation of duties; the assistant business manager handles money, keeps the books and records and reconciles the bank statement for activities. Receipts were not made out to individuals but were made out to activity funds instead. We were not able to determine who turned in the money to central office. Original receipts were not given to the recipient and the yellow copy not always turned in to the Central Office. Receipts are not preprinted with District's name or pre-numbered. A ticket system is not used for athletic games.

Criteria

NMAC 6.20.2.11 and NMAC 6.20.2.14 describe internal controls for receipting money.

Effect

Strong internal controls are necessary to assure receipts are not misappropriated.

Cause

Some of the personnel were not aware of the requirements for receipting money, others have become lax in the process.

Recommendation

A separation of duties is necessary. The same person cannot handle money, keep the books and records and reconcile the bank statement. All receipt books should be preprinted with the District's name and pre-numbered. Original receipts should have the recipient's name on it and given to the recipient. The yellow copy should be turned into the central office with the money collected. Central office should write a receipt to the person turning in the money.

Response

The district acknowledges that its process for collecting and reconciling deposits did not utilize all available safeguards, and the district has now secured (and is using) preprinted and prenumbered deposit books for all activity sponsors. Furthermore, the business office has now begun issuing receipts to the individual who turn money in, ensuring that the liability transfers when the funds transfer, and counting of funds by two separate individuals will continue before deposits are made.

The Business Manager is responsible for this finding and it has been resolved.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on October 10, 2016 with Lynn Birch-Board President, Thomas Humble-Board Member, Dennis Roch-Superintendent, Garrett Baker-Audit Committee Member, Courtney Neece-Audit Committee Member, Pat Copeland-Business Manager, Tammy Gates-Assistant Business Manager, Patty Walker-Administrative Secretary, Linnea Paris-Food Service Director, and De'Aun Willoughby, CPA.