



STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS

ANNUAL FINANCIAL REPORT
June 30, 2015

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



STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
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STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
Official Roster
June 30, 2015

BOARD OF EDUCATION

Nancy Jaramillo	President
Chad Perkins	Vice-President
Sharon Harris	Secretary
Jeremiah Apachito	Member
Gail Armstrong	Member

SCHOOL OFFICIALS

Vacant	Superintendent
Dorothy Zamora	Business Manager

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Magdalena 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 funds and major special revenue fund of Magdalena Municipal Schools (District), as of and for the year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects and debt service fund 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, 2015, 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, 2015, and the respective changes in financial position and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund of the District as of June 30, 2015, and the respective changes in financial position and the respective budgetary comparisons for the major capital projects and debt service fund 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

 De'Ann Willoughby CPA PC

Clovis, New Mexico
September 30, 2015

FINANCIAL SECTION

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 Government-Wide Statement of Net Position
 June 30, 2015

	Governmental Activities
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 112,248
Taxes Receivable	107,652
Due from Grantor	497,573
Inventory	2,589
Restricted Cash	369,024
Total Current Assets	<u>1,089,086</u>
Noncurrent Assets	
Capital Assets	18,510,362
Less: Accumulated Depreciation	(7,964,608)
Total Noncurrent Assets	<u>10,545,754</u>
Total Assets	<u>11,634,840</u>
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	309,554
Total Deferred Outflows of Resources	<u>309,554</u>
Liabilities	
Current Liabilities	
Accounts Payable	27,811
Accrued Salaries and Benefits	35,705
Accrued Interest	10,532
Compensated Absences	173,302
Current Portion Due of Long-Term Debt	175,000
Total Current Liabilities	<u>422,350</u>
Noncurrent Liabilities	
Bonds	1,760,000
Pension Liability	6,200,409
Total Noncurrent Liabilities	<u>7,960,409</u>
Total Liabilities	<u>8,382,759</u>
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	1,110,735
Total Deferred Inflows of Resources	<u>1,110,735</u>
Net Position	
Net Investment in Capital Assets	8,610,754
Restricted for:	
Capital Projects	357,412
Debt Service	95,615
Unrestricted	(6,612,881)
Total Net Position	<u>\$ 2,450,900</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 Government-Wide Statement of Activities
 For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 3,744,485	19,668	\$ 906,908	\$ 0	\$ (2,817,909)
Support Services					
Students	580,676	37,046	86,709	0	(456,921)
Instruction	225,322	0	2,373	0	(222,949)
General Administration	323,151	30,023	24,335	0	(268,793)
School Administration	182,317	0	0	0	(182,317)
Central Services	134,076	0	0	0	(134,076)
Operation of Plant	907,213	0	0	79,281	(827,932)
Student Transportation	330,153	0	330,326	0	173
Other	20,395	0	0	0	(20,395)
Food Services Operations	277,439	11,052	242,253	0	(24,134)
Community Services	1,281	0	1,260	0	(21)
Interest and Other Charges	73,411	0	0	0	(73,411)
Total Governmental Activities	\$ 6,799,919	\$ 97,789	\$ 1,594,164	\$ 79,281	(5,028,685)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					10,595
Property Taxes, Levied for Capital Projects					59,280
Property Taxes, Levied for Debt Service					178,146
Federal and State aid not restricted to specific purpose					
General					4,176,139
Capital					0
Miscellaneous					80,108
Subtotal, General Revenues					<u>4,504,268</u>
Change in Net Position					<u>(524,417)</u>
Net Position - Beginning					9,946,624
Restatement					<u>(6,971,307)</u>
Restated Beginning Net Position					<u>2,975,317</u>
Net Position - Ending					<u><u>\$ 2,450,900</u></u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2015

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Assets			
Cash and Cash Equivalents	\$ 0	\$ 1,746	\$ 19
Receivables			
Property Taxes	5,383	0	0
Due From Grantor	0	0	0
Interfund Balance	437,585	0	0
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 442,968</u>	<u>\$ 1,746</u>	<u>\$ 19</u>
Liabilities			
Accounts Payable	\$ 18,719	\$ 0	\$ 86
Accrued Salaries and Benefits	22,725	0	1,953
Interfund Balance	0	0	0
Current Amount Due:			
Interest	0	0	0
Total Liabilities	<u>41,444</u>	<u>0</u>	<u>2,039</u>
Deferred Inflows of Resources			
Unavailable Revenue	<u>5,275</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>5,275</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned	396,249	1,746	(2,020)
Total Fund Balances	<u>396,249</u>	<u>1,746</u>	<u>(2,020)</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 442,968</u>	<u>\$ 1,746</u>	<u>\$ 19</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2015

	General Fund	Special Revenue	Capital Projects
	Instructional Materials 14000	Title I 24101	Bond Building 31100
Assets			
Cash and Cash Equivalents	\$ 1,525	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	300,998	0
Interfund Balance	0	0	0
Inventory	0	0	0
Restricted Cash	0	0	369,024
Total Assets	\$ 1,525	\$ 300,998	\$ 369,024
Liabilities			
Accounts Payable	\$ 0	\$ 602	\$ 747
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	300,396	10,865
Current Amount Due:			
Interest	0	0	0
Total Liabilities	0	300,998	11,612
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	357,412
Debt Service	0	0	0
Unassigned	1,525	0	0
Total Fund Balances	1,525	0	357,412
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 1,525	\$ 300,998	\$ 369,024

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2015

	<u>Capital Projects</u>		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 0	\$ 15,108	\$ 93,850
Receivables			
Property Taxes	26,913	75,356	0
Due From Grantor	68,189	0	128,386
Interfund Balance	0	83,247	0
Inventory	0	0	2,589
Restricted Cash	0	0	0
Total Assets	\$ 95,102	\$ 173,711	\$ 224,825
Liabilities			
Accounts Payable	\$ 1,191	\$ 0	\$ 6,466
Accrued Salaries and Benefits	0	0	11,027
Interfund Balance	82,671	0	126,900
Current Amount Due:			
Interest	0	4,773	0
Total Liabilities	83,862	4,773	144,393
Deferred Inflows of Resources			
Unavailable Revenue	26,214	73,323	0
Total Deferred Inflows of Resources	26,214	73,323	0
Fund Balances			
Nonspendable-Inventory	0	0	2,589
Restricted for:			
Special Revenue Funds	0	0	94,876
Capital Improvements	0	0	0
Debt Service	0	95,615	0
Unassigned	(14,974)	0	(17,033)
Total Fund Balances	(14,974)	95,615	80,432
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$ 95,102	\$ 173,711	\$ 224,825

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2015

	<u>Total Governmental Funds</u>
Assets	
Cash and Cash Equivalents	\$ 112,248
Receivables	
Property Taxes	107,652
Due From Grantor	497,573
Interfund Balance	520,832
Inventory	2,589
Restricted Cash	369,024
Total Assets	<u>\$ 1,609,918</u>
Liabilities	
Accounts Payable	\$ 27,811
Accrued Salaries and Benefits	35,705
Interfund Balance	520,832
Current Amount Due:	
Interest	4,773
Total Liabilities	<u>589,121</u>
Deferred Inflows of Resources	
Unavailable Revenue	104,812
Total Deferred Inflows of Resources	<u>104,812</u>
Fund Balances	
Nonspendable-Inventory	2,589
Restricted for:	
Special Revenue Funds	94,876
Capital Improvements	357,412
Debt Service	95,615
Unassigned	365,493
Total Fund Balances	<u>915,985</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 1,609,918</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2015

Total Fund Balance - Governmental Funds \$ 915,985

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. 104,812

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

Capital Assets	\$ 18,510,362	
Accumulated Depreciation	<u>(7,964,608)</u>	10,545,754

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	309,554	
Deferred Inflows Related to Pensions	<u>(1,110,735)</u>	(801,181)

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 :

Bond Payable	(1,935,000)	
Pension Liability	(6,200,409)	
Accrued Interest	(5,759)	
Compensated Absences	<u>(173,302)</u>	<u>(8,314,470)</u>

Total Net Position - Governmental Activities \$ 2,450,900

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2015

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
Revenues			
Property Taxes	\$ 9,373	\$ 0	\$ 0
Fees	30,023	0	0
State & Local Grants	3,684,498	0	319,452
Federal Grants	491,641	0	0
Miscellaneous	80,108	0	0
Total Revenues	4,295,643	0	319,452
Expenditures			
Current			
Instruction	2,231,646	0	0
Support Services			
Students	450,912	0	0
Instruction	218,241	0	0
General Administration	297,182	0	0
School Administration	172,884	0	0
Central Services	134,779	0	0
Operation of Plant	759,927	0	0
Student Transportation	0	0	290,462
Other	20,395	0	0
Food Service Operations	0	0	0
Community Services	0	0	0
Bond Issue Costs	0	0	0
Capital Outlay	11,568	0	26,000
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	4,297,534	0	316,462
Excess (Deficiency) of Revenues Over Expenditures	(1,891)	0	2,990
Other Financing Sources (Uses)			
Bond Issue	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Net Change in Fund Balance	(1,891)	0	2,990
Fund Balances at Beginning of Year	398,140	1,746	(5,010)
Fund Balance End of Year	\$ 396,249	\$ 1,746	\$ (2,020)

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2015

	General Fund	Special Revenue	Capital Projects
	Instructional Materials 14000	Tile I 24101	Bond Building 31100
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	24,190	0	0
Federal Grants	0	366,906	0
Miscellaneous	0	0	0
Total Revenues	<u>24,190</u>	<u>366,906</u>	<u>0</u>
Expenditures			
Current			
Instruction	32,052	298,682	81,219
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	10,177	0
School Administration	0	58,047	0
Central Services	0	0	0
Operation of Plant	0	0	4,380
Student Transportation	0	0	0
Other	0	0	0
Food Service Operations	0	0	0
Community Services	0	0	0
Bond Issue Costs	0	0	18,000
Capital Outlay	0	0	58,989
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>32,052</u>	<u>366,906</u>	<u>162,588</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(7,862)</u>	<u>0</u>	<u>(162,588)</u>
Other Financing Sources (Uses)			
Bond Issue	<u>0</u>	<u>0</u>	<u>520,000</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>520,000</u>
Net Change in Fund Balance	(7,862)	0	357,412
Fund Balances at Beginning of Year	<u>9,387</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 1,525</u>	<u>\$ 0</u>	<u>\$ 357,412</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2015

	Capital Projects		
	Senate Bill Nine 31700	Debt Service 41000	Other Governmental Funds
Revenues			
Property Taxes	\$ 55,643	\$ 168,165	\$ 0
Fees	0	0	67,766
State & Local Grants	79,281	0	135,324
Federal Grants	0	0	881,887
Miscellaneous	0	0	0
Total Revenues	<u>134,924</u>	<u>168,165</u>	<u>1,084,977</u>
Expenditures			
Current			
Instruction	25,551	0	600,120
Support Services			
Students	0	0	125,482
Instruction	0	0	2,373
General Administration	557	1,601	19,867
School Administration	0	0	84,974
Central Services	0	0	0
Operation of Plant	118,240	0	0
Student Transportation	0	0	10,874
Other	0	0	0
Food Service Operations	0	0	271,516
Community Services	0	0	1,281
Bond Issue Costs	0	0	0
Capital Outlay	9,289	0	0
Debt Service			
Principal	0	110,000	0
Interest	0	57,538	0
Total Expenditures	<u>153,637</u>	<u>169,139</u>	<u>1,116,487</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(18,713)</u>	<u>(974)</u>	<u>(31,510)</u>
Other Financing Sources (Uses)			
Bond Issue	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balance	(18,713)	(974)	(31,510)
Fund Balances at Beginning of Year	<u>3,739</u>	<u>96,589</u>	<u>111,942</u>
Fund Balance End of Year	<u>\$ (14,974)</u>	<u>\$ 95,615</u>	<u>\$ 80,432</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2015

	Total Governmental Funds
Revenues	
Property Taxes	\$ 233,181
Fees	97,789
State & Local Grants	4,242,745
Federal Grants	1,740,434
Miscellaneous	80,108
Total Revenues	<u>6,394,257</u>
Expenditures	
Current	
Instruction	3,269,270
Support Services	
Students	576,394
Instruction	220,614
General Administration	329,384
School Administration	315,905
Central Services	134,779
Operation of Plant	882,547
Student Transportation	301,336
Other	20,395
Food Service Operations	271,516
Community Services	1,281
Bond Issue Costs	18,000
Capital Outlay	105,846
Debt Service	
Principal	110,000
Interest	57,538
Total Expenditures	<u>6,614,805</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(220,548)</u>
Other Financing Sources (Uses)	
Bond Issue	520,000
Total Other Financing Sources (Uses)	<u>520,000</u>
Net Change in Fund Balance	299,452
Fund Balances at Beginning of Year	<u>616,533</u>
Fund Balance End of Year	<u>\$ 915,985</u>

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

STATE OF NEW MEXICO

MAGDALENA MUNICIPAL SCHOOLS

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balance

To the Statement of Activities

June 30, 2015

Net Change in Fund Balance		\$ 299,452
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, 2014	\$ (89,972)	
Property Taxes Receivable, June 30, 2015	<u>104,812</u>	14,840
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	(562,221)	
Capital Outlays	<u>105,846</u>	(456,375)
The issuance of long-term debt provides current financial resources to governmental funds but has no effect on net position.		
		(520,000)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
		110,000
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due. The difference in the current amount due and the accrued interest each year is:		
Accrued Interest, June 30, 2014	7,886	
Accrued Interest, June 30, 2015	<u>(5,759)</u>	2,127
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated Absences, June 30, 2014	160,634	
Compensated Absences, June 30, 2015	<u>(173,302)</u>	(12,668)
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	309,554	
Pension Expense	<u>(271,347)</u>	38,207
Changes in Net Position of Governmental Activities		<u>\$ (524,417)</u>

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 9,827	\$ 9,827	\$ 9,355	\$ (472)
Fees	0	0	30,023	30,023
State Grant	3,785,243	3,684,059	3,684,498	439
Federal Grant	318,824	441,845	491,640	49,795
Miscellaneous	35,000	35,000	80,109	45,109
Total Revenues	<u>4,148,894</u>	<u>4,170,731</u>	<u>4,295,625</u>	<u>124,894</u>
Expenditures				
Instruction				
Personnel Services	1,547,339	1,625,048	1,583,061	41,987
Employee Benefits	443,173	535,043	529,377	5,666
Professional & Tech Services	8,000	10,144	6,492	3,652
Purchased Property Services	0	435	435	0
Purchased Services	32,750	26,789	21,610	5,179
Supplies	122,500	99,799	78,120	21,679
Supply Assets	38,107	24,209	21,134	3,075
Total Instruction	<u>2,191,869</u>	<u>2,321,467</u>	<u>2,240,228</u>	<u>81,239</u>
Support Services				
Students				
Personnel Services	119,948	124,167	123,200	967
Employee Benefits	44,632	47,418	46,887	531
Professional & Tech Services	247,208	269,521	269,521	0
Purchased Services	500	491	491	0
Supplies	15,000	10,688	10,687	1
Total Students	<u>427,288</u>	<u>452,284</u>	<u>450,785</u>	<u>1,500</u>
Instruction				
Personnel Services	128,805	121,458	121,458	0
Employee Benefits	50,582	52,782	52,548	234
Professional & Tech Services	1,000	360	335	25
Purchased Services	2,000	3,536	2,595	941
Supplies	13,000	60,806	47,141	13,665
Supply Assets	5,000	238	237	1
Total Instruction	<u>\$ 200,387</u>	<u>\$ 239,180</u>	<u>\$ 224,314</u>	<u>\$ 14,866</u>

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
General Administration				
Personnel Services	\$ 152,857	\$ 176,581	\$ 176,579	\$ 2
Employee Benefits	50,742	52,786	49,391	3,395
Professional & Tech Services	63,185	45,246	43,181	2,065
Purchased Property Services	3,000	2,288	2,288	
Purchased Services	16,500	15,520	15,194	326
Supplies	0	991	991	0
Supply Assets	33,500	14,063	13,525	538
Total General Administration	<u>319,784</u>	<u>307,475</u>	<u>301,150</u>	<u>6,325</u>
School Administration				
Personnel Services	149,754	121,469	116,162	5,307
Employee Benefits	62,732	54,449	41,937	12,512
Professional & Tech Services	900	2,000	1,527	473
Purchased Services	500	2,050	1,808	242
Supplies	16,500	15,000	7,763	7,237
Supply Assets	1,500	500	0	500
Total School Administration	<u>231,886</u>	<u>195,468</u>	<u>169,198</u>	<u>26,271</u>
Central Services				
Personnel Services	95,058	95,956	94,824	1,132
Employee Benefits	33,233	25,820	25,694	126
Professional & Tech Services	1,700	2,939	2,915	25
Purchased Services	2,000	2,430	2,430	0
Supplies	19,000	17,520	13,050	4,470
Supply Assets	4,000	4,000	0	4,000
Total Central Services	<u>154,991</u>	<u>148,665</u>	<u>138,913</u>	<u>9,752</u>
Operation of Plant				
Personnel Services	207,942	212,632	205,314	7,318
Employee Benefits	75,510	72,321	67,123	5,198
Professional & Tech Services	200	200	110	90
Purchased Property Services	457,500	409,369	318,240	91,129
Purchased Services	112,580	108,064	100,966	7,098
Supplies	65,000	76,359	39,338	37,021
Supply Assets	25,910	20,877	14,899	5,978
Total Operation of Plant	<u>944,642</u>	<u>899,822</u>	<u>745,990</u>	<u>153,832</u>
Other Support Service				
Other Support Services	<u>14,786</u>	<u>29,869</u>	<u>20,395</u>	<u>9,474</u>
Total Other Support Service	<u>14,786</u>	<u>29,869</u>	<u>20,395</u>	<u>9,474</u>
Total Support Services	\$ <u>2,293,764</u>	\$ <u>2,272,764</u>	\$ <u>2,050,744</u>	\$ <u>222,020</u>

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Capital Outlay				
Fixed Assets	\$ 0	\$ 20,000	\$ 11,568	\$ 8,432
Total Capital Outlay	<u>0</u>	<u>20,000</u>	<u>11,568</u>	<u>8,432</u>
Total Expenditures	<u>4,485,633</u>	<u>4,614,231</u>	<u>4,302,540</u>	<u>311,691</u>
Excess (Deficiency) of Revenues Over Expenditures	(336,739)	(443,500)	(6,915)	436,585
Cash Balance Beginning of Year	<u>444,500</u>	<u>444,500</u>	<u>444,500</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 107,761</u>	<u>\$ 1,000</u>	<u>\$ 437,585</u>	<u>\$ 436,585</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,915)	
Net Change in Taxes Receivable			1,203	
Net Change in Accounts Payable			3,084	
Net Change in Accrued Salaries & Benefits			1,958	
Net Change in Deferred Revenue			<u>(1,221)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,891)</u>	

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
GENERAL FUND-TEACHERAGE-12000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Services				
Student Transportation				
Supplies	0	0	0	0
Total Student Transportation	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>1,746</u>	<u>1,746</u>	<u>1,746</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,746</u>	<u>\$ 1,746</u>	<u>\$ 1,746</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ 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
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 305,646	319,452	\$ 319,452	\$ 0
Total Revenues	<u>305,646</u>	<u>319,452</u>	<u>319,452</u>	<u>0</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	107,187	115,315	115,313	2
Employee Benefits	40,620	41,243	41,236	7
Professional & Tech Services	300	0	0	0
Purchased Property Services	10,150	9,453	9,451	2
Purchased Services	53,060	50,880	50,877	3
Supplies	74,293	69,050	69,046	4
Fixed Assets	20,000	33,511	26,000	7,511
Supply Assets	0	0	7,510	(7,510)
Total Student Transportation	<u>305,610</u>	<u>319,452</u>	<u>319,433</u>	<u>19</u>
Total Support Services	<u>305,610</u>	<u>319,452</u>	<u>319,433</u>	<u>19</u>
Total Expenditures	<u>305,610</u>	<u>319,452</u>	<u>319,433</u>	<u>19</u>
Excess (Deficiency) of Revenues Over Expenditures	36	0	19	19
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 36</u>	<u>\$ 0</u>	<u>\$ 19</u>	<u>\$ 19</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 19	
Net Change in Accounts Payable			2,444	
Net Change in Accrued Salaries & Benefits			527	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 2,990</u>	

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 17,341	\$ 24,189	\$ 24,189	\$ 0
Total Revenues	<u>17,341</u>	<u>24,189</u>	<u>24,189</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	17,341	33,576	32,051	1,525
Total Instruction	<u>17,341</u>	<u>33,576</u>	<u>32,051</u>	<u>1,525</u>
Total Expenditures	<u>17,341</u>	<u>33,576</u>	<u>32,051</u>	<u>1,525</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(9,387)	(7,862)	1,525
Cash Balance Beginning of Year	<u>9,387</u>	<u>9,387</u>	<u>9,387</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 9,387</u>	<u>\$ 0</u>	<u>\$ 1,525</u>	<u>\$ 1,525</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (7,862)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,862)</u>	

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 540,337	\$ 560,762	\$ 203,547	\$ (357,215)
Total Revenues	<u>540,337</u>	<u>560,762</u>	<u>203,547</u>	<u>(357,215)</u>
Expenditures				
Instruction				
Personnel Services	181,561	205,745	178,686	27,059
Employee Benefits	84,852	83,625	77,608	6,017
Professional & Tech Services	7,500	3,637	500	3,137
Purchased Services	30,945	29,164	26,363	2,801
Supplies	13,057	13,612	13,611	1
Supply Assets	0	1,975	1,974	1
Total Instruction	<u>317,915</u>	<u>337,758</u>	<u>298,742</u>	<u>39,017</u>
Support Services				
General Administration				
Professional & Tech Services	11,507	12,089	10,177	1,912
Total General Administration	<u>11,507</u>	<u>12,089</u>	<u>10,177</u>	<u>1,912</u>
School Administration				
Personnel Services	53,226	51,680	41,951	9,729
Employee Benefits	17,591	19,137	16,256	2,881
Professional & Tech Services	1,500	1,500	719	781
Supplies	2,500	2,500	0	2,500
Total School Administration	<u>74,817</u>	<u>74,817</u>	<u>58,926</u>	<u>15,891</u>
Total Support Services	<u>86,324</u>	<u>86,906</u>	<u>69,103</u>	<u>17,803</u>
Total Expenditures	<u>404,239</u>	<u>424,664</u>	<u>367,845</u>	<u>56,819</u>
Excess (Deficiency) of Revenues Over Expenditures	136,098	136,098	(164,298)	(300,395)
Cash Balance Beginning of Year	<u>(136,098)</u>	<u>(136,098)</u>	<u>(136,098)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (300,396)</u>	<u>\$ (300,395)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (164,298)	
Net Change in Due from Grantor			163,358	
Net Change in Accounts Payable			60	
Net Change in Accrued Salaries & Benefits			880	
Net Change in Fund Balance			<u>\$ 0</u>	

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2014

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>82,520</u>
Total Assets	\$ <u><u>82,520</u></u>
Liabilities	
Deposits Held for Others	\$ <u>82,520</u>
Total Liabilities	\$ <u><u>82,520</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 Magdalena Municipal Schools (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Financial Reporting Entity

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

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

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

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

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

Governmental Funds

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

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

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

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

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

Fiduciary Fund Type

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

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

Major Funds

The District reports the following major governmental funds:

General Fund (11000)(12000)(13000)(14000).The General Fund consist of four sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage accounts for rents collected from teachers and related expenditures. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District.

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

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

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

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

Basis of Budgeting

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

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

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

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

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 positions are reported as restricted when constraints placed use are either:

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

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

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

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

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

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

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

Interfund Transfers

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

Deferred Inflow

The District reports unearned and unavailable 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 year end.

Compensated Absences

Compensated Absences: All personnel employed by the District shall be entitled to leave as per the following categories and schedules:

Annual Leave: Twelve-month employees shall be entitled to annual leave with full pay computed on the following basis per year:

- 1-5 consecutive years of employment
- 6-10 consecutive years of employment
- 11+ consecutive years of employment

Twelve-month employees who have resigned, retired, or who have been laid off or dismissed, shall be entitled to and shall be paid for a maximum of 40 days of earned and unused annual leave.

Sick Leave: All full-time staff shall earn one day of sick leave per month. Accrued sick leave is payable for employees for have completed five consecutive years of employment within the District. The District will payout unused sick leave at a rate of \$25 per day.

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

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

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

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

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

Estimates

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

A. Deposits and Investments

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

Wells Fargo Bank

<u>Name of Account</u>	Balance Per Bank 6/30/15	Reconciled Balance	<u>Type</u>
Magdalena Municipal Schools	\$ 397,597	\$ 83,996	Non-Interest
Magdalena Municipal Schools Activity Account	171	171	Interest
	115,774	110,601	Interest
Total Deposited	513,542	\$ 194,768	
Less: FDIC Coverage	(250,000)		
Uninsured Amount	263,542		
50% collateral requirement	131,771		
Pledged securities	167,994		
Over (Under) requirement	\$ 36,223		

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

The following securities are pledged at **Wells Fargo Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FNMA FNMS	3138EL4Q3	\$ 11,318	09/01/2043	FHLB Dallas, TX
FNMA FNMS	3138W3RY1	155,796	02/01/2043	FHLB Dallas, TX
FNMA FNMS	3138X0Y93	880	07/01/2043	FHLB Dallas, TX
		\$ 167,994		

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Custodial Credit Risk-Deposits

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	167,994
Uninsured and uncollateralized	95,548
Total Deposits	<u>\$ 513,542</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, 2015 \$95,548 of the District's balance of \$513,542 was exposed to custodial risk.

B. Receivables

Following is a schedule of property taxes receivable as of June 30, 2015:

	<u>General Fund</u>	<u>Senate Bill Nine</u>	<u>Debt Service</u>	<u>Total</u>
Property Tax				
Available	\$ 108	\$ 699	\$ 2,033	\$ 2,840
Unavailable	5,275	26,214	73,323	104,812
Total Property Taxes Receivable	<u>\$ 5,383</u>	<u>\$ 26,913</u>	<u>\$ 75,356</u>	<u>\$ 107,652</u>

Amounts due from other agencies and units of government were as follows as of June 30, 2015:

	<u>Title I 24101</u>	<u>Senate Bill Nine 31700</u>	<u>Other Governmental</u>	<u>Total</u>
Federal Agencies	\$ 300,998	\$ 0	\$ 62,778	\$ 363,776
State Agencies	0	68,189	65,608	133,797
Total	<u>\$ 300,998</u>	<u>\$ 68,189</u>	<u>\$ 128,386</u>	<u>\$ 497,573</u>

C. Interfund Receivables, Payables and Transfers

Interfund balances during the year ending June 30, 2015 were as follows:

Due to General Fund from:	
Title I-24101	\$ 300,396
Bond Building-31100	10,865
Senate Bill Nine-31700	82,671
Other Governmental Funds	126,900
Totals	<u>\$ 520,832</u>

Short term loans from the General Fund to the above fund were to cover costs during the year until the grant revenue is received, the loans will be repaid within one year.

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D. Capital Assets

Capital assets balances and activity for the year ended June 30, 2015, is as follows:

	Balance 6/30/14	Increases	Decreases	Balance 6/30/15
Governmental Activities				
Capital Assets not being Depreciated				
Land improvements	\$ 69,672	\$ 0	\$ 0	\$ 69,672
Total Capital Assets not being Depreciated	<u>\$ 69,672</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 69,672</u>
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 16,551,925	\$ 6,076	\$	\$ 16,558,001
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,811,527	99,770	(28,608)	1,882,689
Total Capital Assets, being Depreciated	<u>18,363,452</u>	<u>105,846</u>	<u>(28,608)</u>	<u>18,440,690</u>
Total Capital Assets	<u>18,433,124</u>	<u>105,846</u>	<u>(28,608)</u>	<u>18,510,362</u>
Less Accumulated Depreciation				
Buildings & Improvements	6,226,735	457,219	0	6,683,954
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	1,204,260	105,002	(28,608)	1,280,654
Total Accumulated Depreciation	<u>7,430,995</u>	<u>562,221</u>	<u>(28,608)</u>	<u>7,964,608</u>
Capital Assets, net	<u>\$ 11,002,129</u>	<u>\$ (456,375)</u>	<u>\$ 0</u>	<u>\$ 10,545,754</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 491,360
Support Services	
Instruction	6,084
General Administration	2,109
School Administration	110
Operation & Maintenance of Plant	25,534
Student Transportation	30,123
Food Services Operations	6,901
Total Depreciation Expenses	<u>\$ 562,221</u>

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E. Long-Term Debt and Other Liabilities

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

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,525,000	\$ 520,000	\$ 110,000	\$ 1,935,000	\$ 175,000
Total Bonds	\$ 1,525,000	\$ 520,000	\$ 110,000	\$ 1,935,000	\$ 175,000
Other Liabilities					
Compensated					
Absences	\$ 160,634	\$ 75,666	\$ 62,998	\$ 173,302	\$ 173,302
Total Other Liabilities	\$ 160,634	\$ 75,666	\$ 62,998	\$ 173,302	\$ 173,302

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

General Obligation Bonds.

The 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.

Series	Date of Issue	Original Amount	Interest Rate	Balance
2003	4/15/03	460,000	7.500%	\$ 55,000
2003	10/15/03	200,000	7.500%	60,000
2011	5/15/11	1,200,000	3.900%	1,155,000
2012	1/15/12	195,000	3.991%	145,000
2015	1/23/15	520,000	0.075%	520,000
				\$ 1,935,000

The annual requirements to amortize the General Obligation Bonds Issue as of June 30, 2015, including interest payments are as follows:

	Principal	Interest	Total
2016	\$ 175,000	\$ 57,095	\$ 232,095
2017	150,000	52,615	202,615
2018	215,000	48,657	263,657
2019	175,000	43,285	218,285
2020	210,000	38,096	248,096
2021-2025	775,000	78,707	853,707
2026-2028	235,000	792	235,792
Total	\$ 1,935,000	\$ 319,247	\$ 2,254,247

F **Commitments**

The District has various construction projects for repairs on June 30, 2015.

G. **Retirement Plan**

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

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

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

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2014 employers contributed 13.15% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.10% of their gross annual salary. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$309,554 for the year ended June 30, 2015.

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, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$6,200,409 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, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District proportion was 10.867 percent, which was a decrease of .00976 percent from its proportion measured as of June 30, 2013.

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For the year ended June 30, 2015, the District recognized pension expense of \$271,347. At the June 30, 2015, 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	\$ 92,363
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	563,636
Changes in proportion and differences between the District's contributions and proportionate share of contributions	0	454,736
District's contributions subsequent to the measurement date	309,554	0
Total	\$ <u>309,554</u>	\$ <u>1,110,735</u>

\$309,554 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2014 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (330,877)
2017	(330,877)
2018	(308,081)
2019	(140,900)
Total	\$ <u>(1,110,735)</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, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014 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, 2014. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

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MAGDALENA MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

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

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

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2014 and 2013 for 30- year return assumptions are summarized in the following table:

Asset Class	2014 Long-Term Real Rate of	2013 Long-Term Real Rate of
Cash	1.50%	0.75%
Treasuries	2.00%	1.00%
IG Corp Credit	3.50%	3.00%
MBS	2.25%	2.50%
Core Bonds	2.53%	2.04%
TIPS	2.50%	1.50%
High Yield Bonds	4.50%	5.00%
Bank Loans	5.00%	5.00%
Global Bonds (Unhedged)	1.25%	0.75%
Global Bonds (Hedged)	1.38%	0.93%
EMD External	5.00%	4.00%
EMD Local Currency	5.75%	5.00%
Large Cap Equities	6.25%	6.75%
Small/Mid Cap	6.25%	7.00%

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
Notes to the Financial Statements
June 30, 2015

International Equities (Unhedged)	7.25%	7.75%
International Equities (Hedged)	7.50%	8.00%
Emerging International Equities	9.50%	9.75%
Private Equity	8.75%	9.00%
Private Debt	8.00%	8.50%
Private Real Assets	7.75%	8.00%
Real Estate	6.25%	6.00%
Commodities	5.00%	5.00%
Hedge Funds Low Vol	5.50%	4.75%
Hedge Funds Mod Vol	5.50%	6.50%

Discount rate: A single discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2014 and June 30, 2013. 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 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 2014. 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.

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
The District's proportionate share of the net pension liability	\$ 8,436,373	\$ 6,200,409	\$ 4,332,864

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, 2015, 2014 and 2013 were \$62,621, \$59,889, and \$64,132 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. Contingent Liabilities

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

K. 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:

- 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.

L. Joint Powers Agreements

The District entered into a joint powers agreement with other school districts to establish the Central Regional Cooperative (CREC) dated July 1, 1990. Under this agreement, the participating school districts establish and maintain a cooperative program of supplementary special education and other services funded by each school district and the CREC. CREC is not a component unit of the District. CREC issues a separate publicly available audited financial report. The audited financial report for CREC may be obtained by writing to P.O. Box 37440, Albuquerque, NM 87176.

M. Subsequent Events

Subsequent events were evaluated through October 31, 2015, which is the date the financial statements were available to be issued.

N. Restatement

The Net Position was restated \$(7,039,797) for the pension liability and \$68,490 for bond issue costs and related amortization.

O. Fund Deficient Balances

Transportation 13000 has a deficient fund balance of \$(2,020), Senate Bill Nine 31700 had a deficient fund balance of \$(14,974) Medicaid 25153 has a deficient fund balance of \$(17,033).

P. Foundation

The District has a foundation managed by Wells Fargo that is a 501 (c) 3 and files a federal form 990 tax return. The purpose of the foundation is to invest and distribute money to graduates of the District for the use of higher education. The funds originated from a federal grant, Gear Up. The foundation is not material to the District and are not included in the District's financial statements. In prior years, the foundation was included in the financial statements as an activity fund.

**SUPPLEMENTAL INFORMATION RELATED TO
MAJOR FUNDS**

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 BOND BUILDING-31100
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Bond Issue	\$ 0	\$ 520,000	\$ 520,000	\$ 0
Total Revenues	<u>0</u>	<u>520,000</u>	<u>520,000</u>	<u>0</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	0	22,380	22,380	0
Construction Services	0	217,559	6,076	211,483
Fixed Assets	0	280,061	52,913	227,148
Supply Assets	0	0	80,472	(80,472)
Total Capital Outlay	<u>0</u>	<u>520,000</u>	<u>161,841</u>	<u>358,159</u>
Total Expenditures	<u>0</u>	<u>520,000</u>	<u>161,841</u>	<u>358,159</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	358,159	358,159
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>\$ 358,159</u>	<u>\$ 358,159</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ 358,159	
Net Change in Accounts Payable			(747)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 357,412</u>	

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 58,911	\$ 58,911	\$ 55,749	\$ (3,162)
State Grant	0	110,749	46,968	(63,781)
Total Revenues	<u>58,911</u>	<u>169,660</u>	<u>102,717</u>	<u>(66,943)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	600	600	557	43
Total General Administration	<u>600</u>	<u>600</u>	<u>557</u>	<u>43</u>
Total Support Services	<u>600</u>	<u>600</u>	<u>557</u>	<u>43</u>
Capital Outlay				
Professional & Tech Services	73,379	149,287	117,049	32,238
Fixed Assets	0	34,841	9,289	25,552
Supply Assets	0	0	25,551	(25,551)
Total Capital Outlay	<u>73,379</u>	<u>184,128</u>	<u>151,889</u>	<u>32,239</u>
Total Expenditures	<u>73,979</u>	<u>184,728</u>	<u>152,446</u>	<u>32,282</u>
Excess (Deficiency) of Revenues Over Expenditures	(15,068)	(15,068)	(49,729)	(34,661)
Cash Balance Beginning of Year	<u>(32,942)</u>	<u>(32,942)</u>	<u>(32,942)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (48,010)</u>	<u>\$ (48,010)</u>	<u>\$ (82,671)</u>	<u>\$ (34,661)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (49,729)	
Net Change in Taxes Receivable			3,531	
Net Change in Due from Grantor			32,313	
Net Change in Accounts Payable			(1,191)	
Net Change in Unavailable Revenue			(3,637)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (18,713)</u>	

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 160,000	\$ 160,000	\$ 168,449	\$ 8,449
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>168,449</u>	<u>8,449</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	1,600	1,600	1,600	0
Total General Administration	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>0</u>
Total Support Service	<u>1,600</u>	<u>1,600</u>	<u>1,600</u>	<u>0</u>
Debt Service				
Principal	253,194	253,194	110,000	143,194
Interest	0	0	52,766	(52,766)
Total Debt Service	<u>253,194</u>	<u>253,194</u>	<u>162,766</u>	<u>90,428</u>
Total Expenditures	<u>254,794</u>	<u>254,794</u>	<u>164,366</u>	<u>90,428</u>
Excess (Deficiency) of Revenues Over Expenditures	(94,794)	(94,794)	4,083	98,877
Cash Balance Beginning of Year	<u>94,272</u>	<u>94,272</u>	<u>94,272</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (522)</u></u>	<u><u>\$ (522)</u></u>	<u><u>\$ 98,355</u></u>	<u><u>\$ 98,877</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ 4,083	
Net Change in Taxes Receivable			9,697	
Net Change in Interest			(4,773)	
Net Change in Unavailable Revenue			(9,981)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ (974)</u></u>	

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

**SUPPLEMENTAL INFORMATION RELATED TO
NON MAJOR FUNDS**

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

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

IDEA B Entitlement (24106). To account for 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.

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 and 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 Risk Pool (24120). To account for additional allocation from PED to fund children at risk. The program is funded by a federal grant to assist 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 funding 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).

Johnson O'Malley (25131). To account for revenues and expenditures funded by the Department of Interior, Bureau of Indian Affairs, through the Navajo Tribe provided to supplement programs in special education and other special needs for New Mexico public schools where eligible Indian children are enrolled. The fund was created by the authority of federal grant provisions. (PL 103-382)

Impact Aid-Special Education (25145). To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i. e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b) where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistances for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities, Funding authorized by Public Law 81-874.

Impact Aid-Indian Education (25147). To account for funding of a Federal program to provide financial assistance to local educational agencies (LEA's) where enrollments or availability of revenue are adversely affected by Federal activities, i. e. where the tax base of a district is reduced through the Federal acquisition of real property (Section 2), or where there are a significant number of children who reside on Federal (including Indian) lands and /or children whose parents are employed on Federal property or in the Uniformed Services (Section 3(a) and 3(b) where there is a significant decrease (Section 3(c)) or a sudden and substantial increase (Section 4) in school enrollment as the result of Federal activities; to provide disaster assistances for reduced or increased operating costs (Section 7(a)), for replacing or repairing damaged or destroyed supplies, equipment, and books, and for repairing minor damage to facilities, Funding authorized by Public Law 81-874.

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

Indian Education Formula (25184). To account for a program funded by a Federal grant to develop and carry out supplementary elementary and secondary school programs designed to meet the special educational and culturally related academic needs of Indian children, for example to : 1) Improve academic performance, 2) Reduce school dropout relates and improve attendance, and 3) Integrate the value of cultural education into the school curriculum for Indian children. Funding authorized by Indian Education Act of 1988, Title V, Part C, Subpart 1, as amended, Public Law 100-297 and 93-638, 25 U. S. C. 2601-2606.

Indian Education-Special Programs (25194). To encourage eligible entities to provide or maintain a guarantee to eligible low-income students who obtain a secondary diploma, of the financial assistance necessary to permit the student to attend an institution of higher education; and provide additional support services to students who are at risk of dropping out of school. Higher Education act, Title IV, Part A, Subpart 2, Chapter 2, Public Law 105-244.

Farm to School Planning Grant (25208). The purpose of the USDA Farm to School Grant Program is to assist eligible entities in implementing farm to school programs that improve access to local foods in eligible schools. The fund was created by federal grant provisions.

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

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

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.

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

Indian Education Act (27150). To account for funds to be used for the to implement the Culture Base Education Program for American Indian students. The fund was created by state grant provisions.

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

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

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

Farm to Table (29102). The account for a grant to purchase fresh fruit and vegetables. The fund was created by grant provisions.

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
Assets			
Cash and Cash Equivalents	\$ 40,782	\$ 28,251	\$ 0
Receivables			
Due From Grantor	6,497	0	30,797
Inventory	2,589	0	0
Total Assets	<u>\$ 49,868</u>	<u>\$ 28,251</u>	<u>\$ 30,797</u>
Liabilities			
Accounts Payable	\$ 2,033	0	1,936
Accrued Salaries and Benefits	2,617	0	2,917
Interfund Balance	0	0	25,944
Total Liabilities	<u>4,650</u>	<u>0</u>	<u>30,797</u>
Fund Balances			
Nonspendable-Inventory	2,589	0	0
Restricted for:			
Special Revenue	42,629	28,251	0
Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>45,218</u>	<u>28,251</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 49,868</u>	<u>\$ 28,251</u>	<u>\$ 30,797</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Fund		
	IDEA Preschool 24109	Fresh Fruit and Vegetables 24118	IDEA B Risk Pool 24120
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	2,452	0	0
Inventory	0	0	0
Total Assets	<u>\$ 2,452</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	2,452	0	0
Total Liabilities	<u>2,452</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 2,452</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Fund		
	Improving Teacher Quality 24154	Johnson O'Malley 25131	Impact-Aid Special Education 25145
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 9,064
Receivables			
Due From Grantor	12,740	7,009	0
Inventory	0	0	0
Total Assets	<u>\$ 12,740</u>	<u>\$ 7,009</u>	<u>\$ 9,064</u>
Liabilities			
Accounts Payable	0	422	821
Accrued Salaries and Benefits	0	0	0
Interfund Balance	12,740	6,587	0
Total Liabilities	<u>12,740</u>	<u>7,009</u>	<u>821</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	8,243
Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>8,243</u>
Total Liabilities and Fund Balances	<u>\$ 12,740</u>	<u>\$ 7,009</u>	<u>\$ 9,064</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Fund		
	Impact-Aid Indian Education 25147	Medicaid 25153	Indian Education Formula 25184
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Cash Equivalents	\$ 15,753	\$ 0	\$ 0
Receivables			
Due From Grantor		0	0
Inventory	0	0	0
Total Assets	<u>\$ 15,753</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	17,033	0
Total Liabilities	<u>0</u>	<u>17,033</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	15,753	0	0
Capital Projects	0	0	0
Unassigned	0	(17,033)	0
Total Fund Balances	<u>15,753</u>	<u>(17,033)</u>	<u>0</u>
 Total Liabilities and Fund Balances	 <u>\$ 15,753</u>	 <u>\$ 0</u>	 <u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Fund		
	Indian Education Special Programs 25194	Farm to School Planning Grant 25208	Duel Credit Instructional Materials 27103
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	3,283	0	230
Inventory	0	0	0
Total Assets	<u>\$ 3,283</u>	<u>\$ 0</u>	<u>\$ 230</u>
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	3,283	0	0
Interfund Balance	0	0	230
Total Liabilities	<u>3,283</u>	<u>0</u>	<u>230</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 3,283</u>	<u>\$ 0</u>	<u>\$ 230</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Fund		
	2012 GO Student Library 27107	NM Reads to Lead 27114	Pre-K Initiative 27149
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	1,152	11,982	22,462
Inventory	0	0	0
Total Assets	<u>\$ 1,152</u>	<u>\$ 11,982</u>	<u>\$ 22,462</u>
Liabilities			
Accounts Payable	0	0	0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	1,152	11,982	22,462
Total Liabilities	<u>1,152</u>	<u>11,982</u>	<u>22,462</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,152</u>	 <u>\$ 11,982</u>	 <u>\$ 22,462</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	Special Revenue Fund		
	Indian Education Act 27150	Breakfast for Elementary 27155	STEM Teacher Initiative 27181
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	28,179	0	0
Inventory	0	0	0
Total Assets	<u>\$ 28,179</u>	<u>\$ 0</u>	<u>\$ 0</u>
Liabilities			
Accounts Payable	1,254	0	0
Accrued Salaries and Benefits	2,210	0	0
Interfund Balance	24,715	0	0
Total Liabilities	<u>28,179</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 28,179</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Balance Sheet
June 30, 2015

	<u>Special Revenue Fund</u>		
	NM Grown Fruits and Vegetables <u>27183</u>	Farm to Table <u>29102</u>	<u>Total</u>
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 93,850
Receivables			
Due From Grantor	103	1,500	128,386
Inventory	<u>0</u>	<u>0</u>	<u>2,589</u>
Total Assets	<u>\$ 103</u>	<u>\$ 1,500</u>	<u>\$ 224,825</u>
Liabilities			
Accounts Payable	0	0	6,466
Accrued Salaries and Benefits	0	0	11,027
Interfund Balance	<u>103</u>	<u>1,500</u>	<u>126,900</u>
Total Liabilities	<u>103</u>	<u>1,500</u>	<u>144,393</u>
Fund Balances			
Nonspendable-Inventory	0	0	2,589
Restricted for:			
Special Revenue	0	0	94,876
Capital Projects	0	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>(17,033)</u>
Total Fund Balances	<u>0</u>	<u>0</u>	<u>80,432</u>
 Total Liabilities and Fund Balances	 <u>\$ 103</u>	 <u>\$ 1,500</u>	 <u>\$ 224,825</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	11,052	19,668	0
State & Local Grants	0	0	0
Federal Grants	231,151	0	96,972
Total Revenues	<u>242,203</u>	<u>19,668</u>	<u>96,972</u>
Expenditures			
Current			
Instruction	0	20,600	60,041
Support Services			
Students	0	0	36,931
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Student Transportation	0	0	0
Food Service Operations	260,414	0	0
Community Service	0	0	0
Total Expenditures	<u>260,414</u>	<u>20,600</u>	<u>96,972</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,211)	(932)	0
Fund Balances at Beginning of Year	<u>63,429</u>	<u>29,183</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 45,218</u>	<u>\$ 28,251</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund		
	IDEA Preschool 24109	Fresh Fruit and Vegetables 24118	IDEA B Risk Pool 24120
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	9,432	6,676	0
Total Revenues	<u>9,432</u>	<u>6,676</u>	<u>0</u>
Expenditures			
Current			
Instruction	9,432	0	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	6,676	0
Community Service	0	0	0
Total Expenditures	<u>9,432</u>	<u>6,676</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund		
	Improving Teacher Quality 24154	Johnson O'Malley 25131	Impact-Aid Special Education 25145
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	35,783	10,378	45,349
Total Revenues	<u>35,783</u>	<u>10,378</u>	<u>45,349</u>
Expenditures			
Current			
Instruction	34,793	9,100	27,844
Support Services			
Students	0	0	26,453
Instruction	0	0	0
General Administration	990	334	1,655
School Administration	0	84	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Community Service	0	860	0
Total Expenditures	<u>35,783</u>	<u>10,378</u>	<u>55,952</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(10,603)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>18,846</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,243</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund		
	Impact-Aid Indian Education 25147	Medicaid 25153	Indian Education Formula 25184
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	37,046	0
State & Local Grants	0	0	0
Federal Grants	108,414	0	32,073
Total Revenues	<u>108,414</u>	<u>37,046</u>	<u>32,073</u>
Expenditures			
Current			
Instruction	71,625	0	30,395
Support Services			
Students	18,744	43,354	0
Instruction	0	0	0
General Administration	2,816	1,238	1,278
School Administration	9,426	0	0
Student Transportation	0	0	0
Food Service Operations	0	0	0
Community Service	21	0	400
Total Expenditures	<u>102,632</u>	<u>44,592</u>	<u>32,073</u>
Excess (Deficiency) of Revenues Over Expenditures	5,782	(7,546)	0
Fund Balances at Beginning of Year	<u>9,971</u>	<u>(9,487)</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 15,753</u>	<u>\$ (17,033)</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund		
	Indian Education Special Programs 25194	Farm to School Planning Grant 25208	Duel Credit Instructional Materials 27103
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	1,532
Federal Grants	294,728	10,931	0
Total Revenues	<u>294,728</u>	<u>10,931</u>	<u>1,532</u>
Expenditures			
Current			
Instruction	208,984	7,453	1,532
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	11,253	303	0
School Administration	74,491	973	0
Student Transportation	0	0	0
Food Service Operations	0	2,202	0
Community Service	0	0	0
Total Expenditures	<u>294,728</u>	<u>10,931</u>	<u>1,532</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund		
	2012 GO Student Library 27107	NM Reads to Lead 27114	Pre-K Initiative 27149
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	2,373	49,786	39,540
Federal Grants	0	0	0
Total Revenues	<u>2,373</u>	<u>49,786</u>	<u>39,540</u>
Expenditures			
Current			
Instruction	0	49,786	28,666
Support Services			
Students	0	0	0
Instruction	2,373	0	0
General Administration	0	0	0
School Administration	0	0	0
Student Transportation	0	0	10,874
Food Service Operations	0	0	0
Community Service	0	0	0
Total Expenditures	<u>2,373</u>	<u>49,786</u>	<u>39,540</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	Special Revenue Fund		
	Indian Education Act 27150	Breakfast for Elementary 27155	STEM Teacher Initiative 27181
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	27,514	621	12,355
Federal Grants	0	0	0
Total Revenues	<u>27,514</u>	<u>621</u>	<u>12,355</u>
Expenditures			
Current			
Instruction	27,514	0	12,355
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Student Transportation	0	0	0
Food Service Operations	0	621	0
Community Service	0	0	0
Total Expenditures	<u>27,514</u>	<u>621</u>	<u>12,355</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
NONMAJOR FUNDS
Combining Statement of Revenues, Expenditures and
Changes in Fund Balance
For the Year Ended June 30, 2015

	<u>Special Revenue Fund</u>		
	NM Grown Fruits and Vegetables 27183	Farm to Table 29102	Total
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	67,766
State & Local Grants	103	1,500	135,324
Federal Grants	0	0	881,887
Total Revenues	<u>103</u>	<u>1,500</u>	<u>1,084,977</u>
Expenditures			
Current			
Instruction	0	0	600,120
Support Services			
Students	0	0	125,482
Instruction	0	0	2,373
General Administration	0	0	19,867
School Administration	0	0	84,974
Student Transportation	0	0	10,874
Food Service Operations	103	1,500	271,516
Community Service	0	0	1,281
Total Expenditures	<u>103</u>	<u>1,500</u>	<u>1,116,487</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(31,510)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>111,942</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 80,432</u>

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 13,000	\$ 13,000	\$ 11,052	\$ (1,948)
Federal Grants	168,000	168,000	210,730	42,730
Total Revenues	<u>181,000</u>	<u>181,000</u>	<u>221,782</u>	<u>40,782</u>
Expenditures				
Food Services Operations				
Personnel Services	84,170	86,378	86,374	4
Employee Benefits	35,916	29,132	29,136	(4)
Professional & Tech Services	800	382	383	(1)
Purchased Property Services	500	0	0	0
Purchased Services	3,000	668	669	(1)
Supplies	121,614	130,548	130,546	2
Total Food Service Operations	<u>246,000</u>	<u>247,108</u>	<u>247,108</u>	<u>0</u>
Total Expenditures	<u>246,000</u>	<u>247,108</u>	<u>247,108</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(65,000)	(66,108)	(25,326)	40,782
Cash Balance Beginning of Year	<u>66,108</u>	<u>66,108</u>	<u>66,108</u>	<u>0</u>
Cash Balance End of Year	\$ <u>1,108</u>	\$ <u>0</u>	\$ <u>40,782</u>	\$ <u>40,782</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (25,326)	
Net Change in Due from Grantor			6,497	
Net Change in Inventory			123	
Net Change in Accounts Payable			770	
Net Change in Accrued Salaries & Benefits			(275)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>(18,211)</u>	

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 19,100	\$ 19,100	\$ 19,668	\$ 568
Total Revenues	<u>19,100</u>	<u>19,100</u>	<u>19,668</u>	<u>568</u>
Expenditures				
Instruction				
Professional & Tech Services	2,000	2,980	2,980	0
Purchased Services	23,000	32,703	17,620	15,083
Supplies	<u>12,600</u>	<u>12,600</u>	<u>0</u>	<u>12,600</u>
Total Instruction	<u>37,600</u>	<u>48,283</u>	<u>20,600</u>	<u>27,683</u>
Total Expenditures	<u>37,600</u>	<u>48,283</u>	<u>20,600</u>	<u>27,683</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,500)	(29,183)	(932)	28,251
Cash Balance Beginning of Year	<u>29,183</u>	<u>29,183</u>	<u>29,183</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 10,683</u>	<u>\$ 0</u>	<u>\$ 28,251</u>	<u>\$ 28,251</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (932)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (932)</u>	

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 115,295	\$ 148,842	\$ 99,638	\$ (49,204)
Total Revenues	<u>115,295</u>	<u>148,842</u>	<u>99,638</u>	<u>(49,204)</u>
Expenditures				
Instruction				
Personnel Services	35,806	55,335	48,338	6,997
Employee Benefits	6,892	10,834	10,013	821
Purchased Services	0	1,085	1,083	2
Supplies	850	932	447	485
Total Instruction	<u>43,548</u>	<u>68,186</u>	<u>59,881</u>	<u>8,305</u>
Support Services				
Students				
Personnel Services	33,281	33,281	27,313	5,968
Employee Benefits	10,343	10,394	5,997	4,397
Purchased Services	8,436	8,436	3,847	4,589
Supplies	350	422	421	1
Total Students	<u>52,410</u>	<u>52,533</u>	<u>37,578</u>	<u>14,955</u>
Total Support Services	<u>52,410</u>	<u>52,533</u>	<u>37,578</u>	<u>14,955</u>
Total Expenditures	<u>350</u>	<u>120,719</u>	<u>97,459</u>	<u>23,260</u>
Excess (Deficiency) of Revenues Over Expenditures	114,945	28,123	2,179	(25,944)
Cash Balance Beginning of Year	<u>(28,123)</u>	<u>(28,123)</u>	<u>(28,123)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 86,822</u>	<u>\$ 0</u>	<u>\$ (25,944)</u>	<u>\$ (25,944)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 2,179	
Net Change in Due from Grantor			(2,665)	
Net Change in Accounts Payable			(1,936)	
Net Change in Accrued Salaries & Benefits			2,422	
Net Change in Fund Balance			<u>\$ (0)</u>	

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

STATE OF NEW MEXICO
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 12,585	\$ 20,356	\$ 9,912	\$ (10,444)
Total Revenues	<u>12,585</u>	<u>20,356</u>	<u>9,912</u>	<u>(10,444)</u>
Expenditures				
Instruction				
Personnel Services	6,342	7,652	6,646	1,006
Employee Benefits	2,802	3,075	2,785	290
Supplies	<u>508</u>	<u>6,696</u>	<u>0</u>	<u>6,696</u>
Total Instruction	<u>9,652</u>	<u>17,423</u>	<u>9,431</u>	<u>7,992</u>
Total Expenditures	<u>9,652</u>	<u>17,423</u>	<u>9,431</u>	<u>7,992</u>
Excess (Deficiency) of Revenues Over Expenditures	2,933	2,933	481	(2,452)
Cash Balance Beginning of Year	<u>(2,933)</u>	<u>(2,933)</u>	<u>(2,933)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,452)</u>	<u>\$ (2,452)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 481	
Net Change in Due from Grantor			<u>(481)</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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FRESH FRUITS and VEGTABLES-24118
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 6,976	\$ 6,976	\$ 0
Total Revenues	<u>0</u>	<u>6,976</u>	<u>6,976</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	6,976	6,976	0
Total Instruction	<u>0</u>	<u>6,976</u>	<u>6,976</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>6,976</u>	<u>6,976</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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IDEA B RISK POOL-24120
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 903	\$ 903	\$ 903	\$ 0
Total Revenues	<u>903</u>	<u>903</u>	<u>903</u>	<u>0</u>
Expenditures				
Instruction				
Supplies	0	0	0	0
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	903	903	903	0
Cash Balance Beginning of Year	<u>(903)</u>	<u>(903)</u>	<u>(903)</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			\$ 903	
Net Change in Due from Grantor			<u>(903)</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
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 70,982	\$ 81,791	\$ 56,572	\$ (25,219)
Total Revenues	<u>70,982</u>	<u>81,791</u>	<u>56,572</u>	<u>(25,219)</u>
Expenditures				
Instruction				
Personnel Services	20,800	24,681	24,680	1
Employee Benefits	12,840	13,638	10,113	3,525
Professional & Tech Services	<u>2,314</u>	<u>8,444</u>	<u>0</u>	<u>8,444</u>
Total Instruction	<u>35,954</u>	<u>46,763</u>	<u>34,793</u>	<u>11,970</u>
Support Services				
General Administration				
Professional & Tech Services	<u>1,500</u>	<u>1,500</u>	<u>991</u>	<u>509</u>
Total General Administration	<u>1,500</u>	<u>1,500</u>	<u>991</u>	<u>509</u>
Total Support Services	<u>3,814</u>	<u>1,500</u>	<u>991</u>	<u>509</u>
Total Expenditures	<u>37,454</u>	<u>48,263</u>	<u>35,784</u>	<u>12,479</u>
Excess (Deficiency) of Revenues Over Expenditures	33,528	33,528	20,788	(12,740)
Cash Balance Beginning of Year	<u>(33,528)</u>	<u>(33,528)</u>	<u>(33,528)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (12,740)</u>	<u>\$ (12,740)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 20,788	
Net Change in Due from Grantor			<u>(20,788)</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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-JOHNSON O'MALLEY-25131
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 9,739	\$ 14,477	\$ 7,890	\$ (6,587)
Total Revenues	<u>9,739</u>	<u>14,477</u>	<u>7,890</u>	<u>(6,587)</u>
Expenditures				
Instruction				
Personnel Services	3,900	5,519	5,519	0
Employee Benefits	896	632	632	0
Purchased Services	250	995	995	0
Supplies	733	3,247	3,247	0
Total Instruction	<u>5,779</u>	<u>10,393</u>	<u>10,393</u>	<u>0</u>
Support Services				
General Administration				
Professional & Tech Services	294	334	334	0
Total General Administration	<u>294</u>	<u>334</u>	<u>334</u>	<u>0</u>
School Administration				
Professional & Tech Services	0	84	84	0
Total School Administration	<u>0</u>	<u>84</u>	<u>84</u>	<u>0</u>
Total Support Services	<u>294</u>	<u>418</u>	<u>418</u>	<u>0</u>
Community Services				
Professional & Tech Services	380	395	395	0
Purchased Services	480	400	400	0
Supplies	0	65	65	0
Total Community Services	<u>860</u>	<u>860</u>	<u>860</u>	<u>0</u>
Total Expenditures	<u>6,933</u>	<u>11,671</u>	<u>11,671</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	2,806	2,806	(3,781)	(6,587)
Cash Balance Beginning of Year	<u>(2,806)</u>	<u>(2,806)</u>	<u>(2,806)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,587)</u>	<u>\$ (6,587)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,781)	
Net Change in Due from Grantor			2,488	
Net Change in Accrued Salaries & Benefits			1,293	
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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IMPACT AID SPECIAL EDUCATION-25145
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 37,253	\$ 45,350	\$ 45,349	\$ (1)
Total Revenues	<u>37,253</u>	<u>45,350</u>	<u>45,349</u>	<u>(1)</u>
Expenditures				
Instruction				
Personnel Services	17,716	22,191	17,458	4,733
Employee Benefits	4,739	4,862	4,672	190
Professional & Tech Services	500	1,095	970	125
Purchased Property Services	0	500	480	20
Supplies	1,750	4,640	4,638	2
Supply Assets	2,936	1,560	0	1,560
Total Instruction	<u>27,641</u>	<u>34,848</u>	<u>28,219</u>	<u>6,629</u>
Support Services				
Students				
Personnel Services	16,161	17,117	17,117	0
Employee Benefits	9,776	10,147	8,516	1,631
Supplies	500	500	0	500
Total Students	<u>26,437</u>	<u>27,764</u>	<u>25,633</u>	<u>2,131</u>
General Administration				
Professional & Tech Services	2,396	1,839	1,536	303
Purchased Services	0	120	118	2
Total General Administration	<u>2,396</u>	<u>1,959</u>	<u>1,654</u>	<u>305</u>
Total Support Services	<u>28,833</u>	<u>29,723</u>	<u>27,287</u>	<u>2,436</u>
Total Expenditures	<u>56,474</u>	<u>64,571</u>	<u>55,506</u>	<u>9,065</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,221)	(19,221)	(10,157)	9,064
Cash Balance Beginning of Year	<u>19,221</u>	<u>19,221</u>	<u>19,221</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,064</u>	<u>\$ 9,064</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,157)	
Net Change in Accounts Payable			(446)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (10,603)</u>	

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IMPACT AID INDIAN EDUCATION-25147
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 75,558	\$ 108,094	\$ 108,414	\$ 320
Total Revenues	<u>75,558</u>	<u>108,094</u>	<u>108,414</u>	<u>320</u>
Expenditures				
Instruction				
Personnel Services	41,494	47,372	35,939	11,433
Employee Benefits	19,824	18,490	17,234	1,257
Professional & Tech Services	0	1,385	1,384	1
Purchased Services	500	708	707	1
Supplies	2,500	11,937	10,444	1,493
Supply Assets	0	6,119	6,119	0
Total Instruction	<u>64,318</u>	<u>86,011</u>	<u>71,826</u>	<u>14,185</u>
Support Services				
Students				
Personnel Services	13,524	14,173	14,172	0
Employee Benefits	3,568	3,720	3,719	1
Professional & Tech Services	0	588	523	65
Purchased Services	0	330	330	0
Total Students	<u>17,092</u>	<u>18,811</u>	<u>18,744</u>	<u>67</u>
General Administration				
Professional & Tech Services	3,119	2,815	2,814	1
Total General Administration	<u>3,119</u>	<u>2,815</u>	<u>2,814</u>	<u>1</u>
School Administration				
Personnel Services	0	6,498	6,498	0
Employee Benefits	0	497	497	0
Professional & Tech Services	0	90	90	0
Purchased Services	0	843	842	1
Supplies	0	1,500	1,500	0
Total School Administration	<u>0</u>	<u>9,427</u>	<u>9,426</u>	<u>1</u>
Total Support Services	<u>20,211</u>	<u>31,054</u>	<u>30,985</u>	<u>69</u>
Community Service				
Supplies	1,200	1,200	22	1,178
Total Community Service	<u>1,200</u>	<u>1,200</u>	<u>22</u>	<u>1,178</u>
Total Expenditures	\$ <u>85,729</u>	\$ <u>118,265</u>	\$ <u>102,832</u>	\$ <u>15,432</u>

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-IMPACT AID INDIAN EDUCATION-25147
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,171)	\$ (10,171)	\$ 5,582	\$ 15,752
Cash Balance Beginning of Year	<u>10,171</u>	<u>10,171</u>	<u>10,171</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>15,753</u></u>	\$ <u><u>15,752</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,582	
Net Change in Accounts Payable			<u>200</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>5,782</u></u>	

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-MEDICAID-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 45,744	\$ 45,744	\$ 37,046	\$ (8,698)
Total Revenues	<u>45,744</u>	<u>45,744</u>	<u>37,046</u>	<u>(8,698)</u>
Expenditures				
Support Services				
Students				
Personnel Services	30,305	30,102	30,102	0
Employee Benefits	12,081	11,899	11,785	114
Professional & Tech Services	130	130	0	130
Purchased Services	315	315	141	175
Supplies	1,082	1,467	1,467	0
Total Students	<u>43,913</u>	<u>43,913</u>	<u>43,494</u>	<u>419</u>
General Administration				
Professional & Tech Services	1,831	1,831	1,239	592
Total General Administration	<u>1,831</u>	<u>1,831</u>	<u>1,239</u>	<u>592</u>
Total Support Services	<u>45,744</u>	<u>45,744</u>	<u>44,733</u>	<u>1,011</u>
Total Expenditures	<u>45,744</u>	<u>45,744</u>	<u>44,733</u>	<u>1,011</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(7,687)	(7,687)
Cash Balance Beginning of Year	<u>(9,346)</u>	<u>(9,346)</u>	<u>(9,346)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (9,346)</u>	<u>\$ (9,346)</u>	<u>\$ (17,033)</u>	<u>\$ (7,687)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,687)	
Net Change in Accounts Payable			141	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (7,546)</u>	

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INDIAN EDUCATION FORMULA-25184
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 31,536	\$ 32,095	\$ 32,084	\$ (11)
Total Revenues	<u>31,536</u>	<u>32,095</u>	<u>32,084</u>	<u>(11)</u>
Expenditures				
Instruction				
Personnel Services	22,700	23,289	23,289	0
Employee Benefits	5,943	6,090	6,090	0
Professional & Tech Services	300	144	144	0
Supplies	1,304	883	872	11
Total Instruction	<u>30,247</u>	<u>30,406</u>	<u>30,395</u>	<u>11</u>
Support Services				
General Administration				
Professional & Tech Services	1,278	1,278	1,278	0
Total General Administration	<u>1,278</u>	<u>1,278</u>	<u>1,278</u>	<u>0</u>
Total Support Services	<u>1,278</u>	<u>1,278</u>	<u>1,278</u>	<u>0</u>
Community Services				
Purchased Services	0	280	280	0
Supplies	0	120	120	0
Total Community Services	<u>0</u>	<u>400</u>	<u>400</u>	<u>0</u>
Total Expenditures	<u>31,525</u>	<u>32,084</u>	<u>32,073</u>	<u>11</u>
Excess (Deficiency) of Revenues Over Expenditures	11	11	11	0
Cash Balance Beginning of Year	\$ (11)	\$ (11)	\$ (11)	\$ 0
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	
Net Change in Due from Grantor			(11)	
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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INDIAN EDUCATION-SPECIAL PROGRAMS-25194
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 293,309	\$ 293,309	\$ 293,309	\$ 0
Total Revenues	<u>293,309</u>	<u>293,309</u>	<u>293,309</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	114,705	142,404	142,404	0
Employee Benefits	44,110	45,196	45,196	0
Professional & Tech Services	0	4,448	4,448	0
Other Purchased Services	41,419	11,093	11,093	0
Supplies	8,750	5,843	5,843	0
Total Instruction	<u>208,984</u>	<u>208,984</u>	<u>208,984</u>	<u>0</u>
Support Services				
General Administration				
Professional & Tech Services	11,951	11,253	11,253	0
Total General Administration	<u>11,951</u>	<u>11,253</u>	<u>11,253</u>	<u>0</u>
School Administration				
Personnel Services	46,783	51,083	51,083	0
Employee Benefits	18,175	18,804	18,804	0
Professional & Tech Services	7,775	2,152	2,152	0
Other Purchased Services	0	1,393	1,393	0
Total School Administration	<u>72,733</u>	<u>73,431</u>	<u>73,431</u>	<u>0</u>
Total Support Services	<u>84,684</u>	<u>84,684</u>	<u>84,684</u>	<u>0</u>
Total Expenditures	<u>293,668</u>	<u>293,668</u>	<u>293,668</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(359)	(359)	(359)	0
Cash Balance Beginning of Year	\$ <u>359</u>	\$ <u>359</u>	\$ <u>359</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			\$ (359)	
Net Change in Due from Grantor			1,419	
Net Change in Accrued Salaries & Benefits			(1,060)	
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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FARM TO SCHOOL PLANNING GRANT-25208
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 43,947	\$ 10,930	\$ (33,017)
Total Revenues	<u>0</u>	<u>43,947</u>	<u>10,930</u>	<u>(33,017)</u>
Expenditures				
Instruction				
Personnel Services	0	11,534	4,316	7,218
Employee Benefits	0	2,711	1,008	1,703
Professional & Tech Services	0	1,550	1,000	550
Purchased Services	0	190	190	0
Supplies	0	9,500	939	8,561
Supply Assets	0	5,000	0	5,000
Total Instruction	<u>0</u>	<u>30,485</u>	<u>7,453</u>	<u>23,032</u>
Support Services				
General Administration				
Professional & Tech Services	0	1,252	302	950
Total General Administration	<u>0</u>	<u>1,252</u>	<u>302</u>	<u>950</u>
School Administration				
Professional & Tech Services	0	1,735	973	762
Total School Administration	<u>0</u>	<u>1,735</u>	<u>973</u>	<u>762</u>
Total Support Services	<u>0</u>	<u>2,987</u>	<u>1,275</u>	<u>1,712</u>
Community Services				
Professional & Tech Services	0	1,500	0	1,500
Supplies	0	359	61	298
Supply Assets	0	8,616	2,141	6,475
Total Community Services	<u>0</u>	<u>10,475</u>	<u>2,202</u>	<u>8,273</u>
Total Expenditures	<u>0</u>	<u>43,947</u>	<u>10,930</u>	<u>33,017</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	\$ 0	\$ 0	\$ 0	\$ 0
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
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 1,532	\$ 1,302	\$ (230)
Total Revenues	<u>0</u>	<u>1,532</u>	<u>1,302</u>	<u>(230)</u>
Expenditures				
Instruction				
Supplies	0	1,532	1,532	0
Total Instruction	<u>0</u>	<u>1,532</u>	<u>1,532</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,532</u>	<u>1,532</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(230)	(230)
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>\$ (230)</u>	<u>\$ (230)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (230)	
Net Change in Due from Grantor			<u>230</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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-2012 GO STUDENT LIBRARY-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 9,463	\$ 9,464	\$ 8,296	\$ (1,168)
Total Revenues	<u>9,463</u>	<u>9,464</u>	<u>8,296</u>	<u>(1,168)</u>
Expenditures				
Support Services				
Instruction				
Supplies	<u>2,388</u>	<u>2,388</u>	<u>2,372</u>	<u>16</u>
Total Instruction	<u>2,388</u>	<u>2,388</u>	<u>2,372</u>	<u>16</u>
Total Support Services	<u>2,388</u>	<u>2,388</u>	<u>2,372</u>	<u>16</u>
Total Expenditures	<u>2,388</u>	<u>2,388</u>	<u>2,372</u>	<u>16</u>
Excess (Deficiency) of Revenues Over Expenditures	7,075	7,076	5,924	(1,152)
Cash Balance Beginning of Year	<u>(7,076)</u>	<u>(7,076)</u>	<u>(7,076)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(1)</u>	\$ <u>0</u>	\$ <u>(1,152)</u>	\$ <u>(1,152)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 5,924	
Net change in Due from Grantor			<u>(5,924)</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
MAGDALENA 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, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 129,427	\$ 129,427	\$ 117,445	\$ (11,982)
Total Revenues	<u>129,427</u>	<u>129,427</u>	<u>117,445</u>	<u>(11,982)</u>
Expenditures				
Instruction				
Personnel Services	40,170	39,717	39,717	0
Employee Benefits	9,830	9,681	9,681	0
Supplies	0	602	602	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	79,427	79,427	67,445	(11,982)
Cash Balance Beginning of Year	<u>(79,427)</u>	<u>(79,427)</u>	<u>(79,427)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,982)</u>	<u>\$ (11,982)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 67,445	
Net Change in Due from Grantor			(67,659)	
Net Change in Accounts Payable			214	
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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-PRE K INITIATIVE-27149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 61,790	\$ 61,790	\$ 37,994	\$ (23,796)
Total Revenues	<u>61,790</u>	<u>61,790</u>	<u>37,994</u>	<u>(23,796)</u>
Expenditures				
Instruction				
Personnel Services	21,395	19,981	19,981	0
Employee Benefits	7,485	7,025	7,025	0
Professional & Tech Services	120	102	102	0
Purchased Services	0	60	60	0
Supplies	1,000	1,498	1,498	0
Supply Assets	0	1,334	0	1,334
Total Instruction	<u>30,000</u>	<u>30,000</u>	<u>28,666</u>	<u>1,334</u>
Support Services				
Student Transportation				
Supplies	10,874	10,874	10,874	0
Total Student Transportation	<u>10,874</u>	<u>10,874</u>	<u>10,874</u>	<u>0</u>
Total Support Services	<u>10,874</u>	<u>10,874</u>	<u>10,874</u>	<u>0</u>
Total Expenditures	<u>40,874</u>	<u>40,874</u>	<u>39,540</u>	<u>1,334</u>
Excess (Deficiency) of Revenues Over Expenditures	20,916	20,916	(1,546)	(22,462)
Cash Balance Beginning of Year	<u>(20,916)</u>	<u>(20,916)</u>	<u>(20,916)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,462)</u>	<u>\$ (22,462)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,546)	
Net Change in Due from Grantor			1,546	
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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-INDIAN EDUCATION ACT-27150
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 19,624	\$ 44,624	\$ 19,624	\$ (25,000)
Total Revenues	<u>19,624</u>	<u>44,624</u>	<u>19,624</u>	<u>(25,000)</u>
Expenditures				
Instruction				
Personnel Services	0	11,460	11,460	0
Employee Benefits	0	2,699	2,699	0
Professional & Tech Services	0	2,800	2,800	0
Purchased Services	0	451	451	0
Supplies	0	7,590	7,305	285
Total Instruction	<u>0</u>	<u>25,000</u>	<u>24,715</u>	<u>285</u>
Total Expenditures	<u>0</u>	<u>25,000</u>	<u>24,715</u>	<u>285</u>
Excess (Deficiency) of Revenues Over Expenditures	19,624	19,624	(5,091)	(24,715)
Cash Balance Beginning of Year	<u>(19,624)</u>	<u>(19,624)</u>	<u>(19,624)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (24,715)</u>	<u>\$ (24,715)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,091)	
Net Change in Due from Grantor			7,890	
Net Change in Account Payables			(728)	
Net Change in Accrued Salaries & Benefits			(2,071)	
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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-BREAKFAST FOR ELEMENTARY-27155
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 7,800	\$ 8,421	\$ 8,421	\$ 0
Total Revenues	<u>7,800</u>	<u>8,421</u>	<u>8,421</u>	<u>0</u>
Expenditures				
Food Service				
Supplies	0	621	621	0
Total Food Service	<u>0</u>	<u>621</u>	<u>621</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>621</u>	<u>621</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	7,800	7,800	7,800	0
Cash Balance Beginning of Year	<u>(7,800)</u>	<u>(7,800)</u>	<u>(7,800)</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			\$ 7,800	
Net Change in Due from Grantor			<u>(7,800)</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
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-STEM TEACHER INITIATIVE-27181
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 20,000	\$ 12,355	\$ (7,645)
Total Revenues	<u>0</u>	<u>20,000</u>	<u>12,355</u>	<u>(7,645)</u>
Expenditures				
Instruction				
Personnel Services	0	10,000	10,000	0
Employee Benefits	0	2,355	2,355	0
Total Instruction	<u>0</u>	<u>12,355</u>	<u>12,355</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>12,355</u>	<u>12,355</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	7,645	0	(7,645)
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>\$ 7,645</u>	<u>\$ 0</u>	<u>\$ (7,645)</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			\$ 0	

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-NM GROWN FRUITS AND VEGTABLES-27183
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 3,000	\$ 0	\$ (3,000)
Total Revenues	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>(3,000)</u>
Expenditures				
Food Services Operations				
Supplies	0	3,000	103	2,897
Total Food Services Operations	<u>0</u>	<u>3,000</u>	<u>103</u>	<u>2,897</u>
Total Expenditures	<u>0</u>	<u>3,000</u>	<u>103</u>	<u>2,897</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(103)	(103)
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>\$ (103)</u>	<u>\$ (103)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (103)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (103)</u>	

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
SPECIAL REVENUE FUND-FARM TO TABLE-29102
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 0	\$ 1,500	\$ 0	\$ (1,500)
Total Revenues	<u>0</u>	<u>1,500</u>	<u>0</u>	<u>(1,500)</u>
Expenditures				
Food Service				
Supplies	0	1,500	1,500	0
Total Food Service	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(1,500)	(1,500)
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>\$ (1,500)</u>	<u>\$ (1,500)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,500)	
Net Change in Due from Grantor			<u>1,500</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
MAGDALENA 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>
District's proportion of the net pension liability	0.10867%
District's proportionate share of the net pension liability	\$ 6,200,409
District's covered-employee payroll	\$ 2,318,590
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	37.39%
Plan fiduciary net position as a percentage of the total pension liability	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>
Contractually required contribution	\$ 309,554
Contributions in relation to the contractually required contribution	<u>309,554</u>
Contribution deficiency (excess)	<u><u>0</u></u>
District's covered-employee payroll	\$ 2,318,590
Contributions as a percentage of covered-employee payroll	13.35%

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

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

Changes of Benefit Terms

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

Changes of Assumptions

ERB conducts an actuarial experience study for the Plan on a biennial basis. Based on the six-year actuarial experience study presented to the Board of Trustees on April 26, 2013, ERB implemented the following changes in assumptions for fiscal years 2014 and 2013.

1. Fiscal year 2014 and 2013 valuation assumptions that changed based on this study:

- a. Lower wage inflation from 4.75% to 4.25%
- b. Lower payroll growth from 3.75% to 3.50%
- c. Minor changes to demographic assumptions
- d. Population growth per year from 0.75% to 0.50%

2. Assumptions that were not changed:

- a. Investment return will remain at 7.75%
- b. Inflation will remain at 3.00%

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

OTHER SUPPLEMENTAL INFORMATION

FIDUCIARY FUND

Activity Trust Fund

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2015

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
Assets				
9000 Administration	1,217	14,284	15,346	155
9001 Yearbook	2,121	3,350	3,307	2,164
9002 Elementary	4,290	4,090	6,480	1,900
9003 FFA	1,630	7,526	7,665	1,491
9004 Football	0	1,497	1,332	165
9005 Library	2,372	1,826	1,204	2,994
9006 Flower Fund	139	370	210	299
9007 National Honor Society	23	0	0	23
9008 Native American Club-High School	1,105	86	1,125	66
9009 Native American Club-Middle School	935	32	130	837
9010 Native American Club-Elementary	125	163	142	146
9011 SPED	100	0	0	100
9012 Dance Team	897	0	897	0
9013 Volleyball	4,903	4,350	6,258	2,995
9015 High School Student Council	0	0	0	0
9016 Class of 2020	58	1,713	1,713	58
9017 Concessions	7,061	42,079	45,692	3,448
9018 Boys Basketball	886	20,268	19,966	1,188
9019 Class of 2016	2,121	930	1,437	1,614
9020 Class of 2017	721	528	114	1,134
9021 Class of 2018	131	2,731	2,273	589
9022 Class of 2019	65	138	0	203
9023 Parent Advisory Council	0	7,957	6,859	1,098
9024 Class of 2012	5	0	5	0
9025 MESA	157	150	220	87
9026 MMS Scholarship	2,397	1,500	1,800	2,097
9027 Girls Basketball	995	3,470	1,125	3,341
9028 Renaissance Program-Elementary	1,150	5,404	3,281	3,273
9029 Renaissance Program-High School	38	1,335	0	1,373
9030 Educators Scholarship	2,600	3,660	3,500	2,760
9032 Clint Benjamin Memorial	2,430	1,183	2,600	1,013
9033 Robo Club	0	893	694	200
9034 Cheerleaders	1,489	0	697	792
9035 High School Account	2,811	1,095	1,874	2,032
9036 Auto Shop	20,912	43,300	42,553	21,660
9037 Board of Education Scholarship	2,270	1,618	1,840	2,048
9038 Jay Apachito Scholarship	1,000	0	1,000	0
9040 Incentives	1,707	415	1,205	916
9042 SAP	659	0	0	659
9043 Rodeo Club	0	255	255	0
9060 Insurance Benefits	67,494	475,873	543,367	0
9061 Embroidery Class	\$ 289	0	0 \$	289

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 AGENCY FUNDS - ACTIVITY
 Schedule of Fiduciary Assets and Liabilities-Agency Funds
 For the Year Ended June 30, 2015

	Balance 6/30/14	Additions	Deductions	Balance 6/30/15
9064 Auto Shop Scholarship	\$ 8,209	0	0	\$ 8,209
9065 Class of 2014	214	0	214	0
9066 PBS	1,486	277	621	1,142
9068 Letterman Club	512	0	0	512
9069 Spanish Club	1,299	0	0	1,299
9070 Class of 2015	1,911	123	1,961	73
9071 Kindergarten	134	14	53	95
9072 Rocket Club	255	842	590	507
9073 Baseball	341	4,486	2,649	2,179
9074 Box Tops for Education	1,113	511	0	1,624
9075 NRAO Science Donation	359	500	411	448
9076 Track	445	275	390	330
9078 Class of 2017	641	568	461	747
9099 Gaming Account	0	1,519	1,368	151
Total Assets	<u>\$ 156,221</u>	<u>\$ 663,182</u>	<u>\$ 736,883</u>	<u>\$ 82,520</u>
Deposits Held for Others	<u>\$ 156,221</u>	<u>\$ 663,182</u>	<u>\$ 736,883</u>	<u>\$ 82,520</u>
Total Liabilities	<u>\$ 156,221</u>	<u>\$ 663,182</u>	<u>\$ 736,883</u>	<u>\$ 82,520</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 CASH RECONCILIATION-ALL FUNDS
 For the Year Ended June 30, 2015

		Beginning Cash 6/30/14	Revenue	Expenditures	Adjustments Transfers Loans	Ending Cash 6/30/15
Operations	11000	\$ 444,500	\$ 4,295,625	\$ 4,302,540	\$ 0	\$ 437,585
Teacherage	12000	1,746	0	0	0	1,746
Transportation	13000	0	319,452	319,433	0	19
Instructional Materials	14000	9,388	24,190	32,051	0	1,526
Food Services	21000	66,108	221,782	247,108	0	40,782
Athletics	22000	29,183	19,668	20,600	0	28,251
Federal Flowthrough	24000	(201,584)	377,547	517,496	0	(341,534)
Federal Direct	25000	17,588	535,382	552,148	376	1,198
State Flowthrough	27000	(134,843)	205,813	131,240	(376)	(60,645)
State & Local Grants	29000	0	0	1,500	0	(1,500)
Bond Building	31100	0	520,000	161,841	0	358,159
SB-9	31700	(32,942)	102,717	152,446	0	(82,671)
Debt Service	41000	94,273	168,449	164,365	0	98,356
Agency Funds	23,000	156,221	663,182	736,883	0	82,520
		<u>\$ 449,637</u>	<u>\$ 7,453,806</u>	<u>\$ 7,339,651</u>	<u>\$ 0</u>	<u>\$ 563,792</u>

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

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
VENDOR SCHEDULE
For the Year Ended June 30, 2015

There were no vendors that met the reporting criteria for this entity for the Fiscal year ending June 30, 2015.

FEDERAL COMPLIANCE

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
School Breakfast Program	10.553	21000	\$ 73,171
National School Lunch Program	10.555	21000	144,057
Fresh Fruits and Vegetables	10.582	24118	6,676
			<u>223,904</u>
Pass-through State Department of Human Services:			
Supplemental Nutrition Assistance Program	10.551	21000	(1) 13,923
Direct Program			
Farm to School Planning Grant	10.575	25208	10,931
Rural Development, Forestry, and Communities	10.672	11000	48,835
Total U. S. Department of Agriculture			<u>297,593</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA B Entitlement	84.027	24106	96,973
IDEA Preschool	84.173	24109	9,432
			<u>106,405</u>
Title I	84.010	24101	366,905
Improving Teacher Quality	84.367	24154	35,784
Direct Program			
Impact Aid	84.041	11000	442,806
Impact Aid-Special Education	84.041	25145	45,349
Impact Aid-Indian Education	84.041	25147	108,414
Indian Education Formula Grant	84.060	25184	32,073
Indian Education-Special Projects	84.235	25194	294,727
Total U. S. Department of Education			<u>1,432,463</u>
<u>U. S. Department of Interior</u>			
Pass-through State Public Education Department:			
Johnson O'Malley	15.130	25131	10,378
Total Federal Assistance			\$ <u>1,740,434</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

STATE OF NEW MEXICO

MAGDALENA MUNICIPAL SCHOOLS

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2015

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

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

Note 2: Insurance Requirements

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

Note 3: Loans or Loan Guarantees

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

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 Magdalena 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 the Magdalena Municipal Schools (District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated September 30, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies. 2014-002, 2014-003, 2014-004, 2014-006, 2015-001, 2015-002, 2015-003.

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 an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002, 2014-003, 2014-004, 2014-006, 2015-001, 2015-002, 2015-003, 2015-004.

District's Responses to Findings

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

Purpose of this Report

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

De'Ann Willoughby CPA PC

Clovis, New Mexico
September 30, 2015

Report on Compliance With Requirements
Applicable To Each Major Program and Internal Control
Over Compliance in Accordance With OMB Circular A-133

Independent Auditor's Report

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

Mr. Keller and Members of the Board

Compliance

We have audited Magdalena Municipal Schools (District) compliance with the types of compliance requirements described in the OMB A-133 Compliance Supplement that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

De'Ann Willoughby, CPA PC

Clovis, New Mexico
September 30, 2015

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2015

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

* Material weaknesses identified? No

* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weaknesses identified? No

* Significant deficiencies identified? No

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

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

Identification of major programs:

CFDA Numbers)	Name of Federal Program of Cluster
84.041	Impact Aid

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Audited qualified as low risk Auditee Yes

STATE OF NEW MEXICO
MAGDALENA MUNICIPAL SCHOOLS
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2015

Prior Year Audit Findings	Federal Compliance Findings	None
Current Year Audit Findings		None

Financial Statements Findings		<u>Status</u>
Prior Year Audit Findings		
2013-001	Pledged Collateral	Resolved
2014-002	Expenditures Issue	Repeated & Modified
2014-003	I-9's	Repeated & Modified
2014-004	New Hire Reporting	Repeated & Modified
2014-005	Stale Checks	Resolved
2014-006	Cash Appropriations in Excess of Available Cash Balances	Repeated & Modified
2014-007	Late IPA Recommendation and Audit Contract	Resolved

Current Year Audit Findings

2014-002 Expenditure Issues-Compliance and Internal Control-Significant Deficiency Condition

Out of 316 sampled we noted the following:

7 had after fact PO's totaling \$8,971.64.

9 were paid late totaling \$22,261.56 (this amount includes a \$225.00 late fee on one).

2 had no supporting documents totaling \$579.95

2 paid using a quote instead of an invoice totaling \$12,180.16.

1 was prepaying for services that started after the check was written totaling \$3,195.00.

Management is making progress resolving this finding.

Criteria

In accordance with 6.20.2.17 Purchasing each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978.

Cause

There is a lack of training and supervision allowing errors to occur.

Effect

Without proper documentation and following the procurement act, there are not adequate controls over expenditures. Results could be over spending.

Recommendation

Training, supervision and review will mitigate the issues.

Response

We will provide training and supervision to avoid the expenditure issues. The business manager is confident this finding will be resolved by the end of the fiscal year.

2014-003 I-9s-Compliance and Internal Control-Significant Deficiency

Condition

During our test of 21 personnel files, we noted the following:

-Five I-9's were incomplete.

-One I-9 had documents provided listed on the wrong corresponding list.

Management is making progress resolving this finding.

Criteria

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

Cause

Lack of training and supervision caused errors in the completion of the I-9s.

Effect

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

Recommendation

Training and supervision is necessary to assure the I-9s are completed correctly.

Response

We will provide additional training, review all I-9s, obtain correct ones and secure them in a permanent notebook. The business manager is confident this finding will be resolved by the end of the fiscal year.

2014-004 New Hire Reporting-Compliance and Internal Control-Significant Deficiency

Condition

Three out of six new employees hired that were sampled were not reported to the NM New Hire Reporting System timely.

Management is making progress resolving this finding.

Criteria

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

Cause

A lack of training and supervision allowed the process to fail.

Effect

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

Recommendation

Additional training and supervision is necessary to avoid this oversight in the future.

Response

We will provide additional training and supervision. The business manager is confident this finding will be resolved by the end of the fiscal year.

2014-006 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 Senate Bill-Nine 31700 of \$(48,010), Debt Service 41000 of \$(522), and Medicaid 25153 of \$(9,346). Management is making progress resolving this finding.

Criteria

Section 2.2.210. (P) (1), NMAC, requires all school district funds, with the exception of agency funds, to be budgeted by the local governing body and submitted to the PED for approval. Cash balances 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 have to supplement the budget deficit with other funds, which may lead to financial difficulties and deplete the budget in other funds.

Recommendation

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

Response

BARS will be issued to adjust beginning cash to actual and reduce expenditures as necessary. The business manager is confident this finding will be resolved by the end of the fiscal year.

2015-001 Background Checks-Compliance and Internal Control-Significant Deficiency Condition

A sample of 21 personnel files revealed the following:

1) The District used a PED printed licensure status as approval of 2 background checks. One had a level 2 license and the other had a level 3-A.

Criteria

New Mexico Statutes Section 22-10A-5: Background checks D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check if the department has copies of the applicant's federal bureau of investigation records on file. An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old.

Cause

Management was not aware that the PED printed licensure is only acceptable when it is the employee's level 1 initial license.

Effect

As a safety measure, people with serious criminal records may not be fit to have responsibility for the safety and well being of children.

Recommendation

All background checks should be reviewed and updated if necessary.

Response

We will review all background checks and update them if needed. The business manager is confident this finding will be resolved by the end of the fiscal year.

2015-002 Payroll-Compliance and Internal Control-Significant Deficiency Condition

Out of 21 personnel files we noted the following:

- 1). 7 of the 21 were non-exempt employees. Of these 7, 2 were not paid overtime they were due. Totaling \$92.53 Underpaid.
- 2). 1 contract states 26 payments, however this employee started late and was paid over 21 pay periods. Due to the installments on the contract not being correct it looks as though the individual was overpaid \$5,475.28.

Criteria

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

Cause

There is a lack of training, supervision and review in the payroll process.

Effect

Employees may not be paid what they should have be paid. It is unclear if employees were over or under paid.

Recommendation

Training and supervision is necessary to avoid all of the above issues.

Response

The superintendent has assumed the preparation of contracts. Overtime will be calculated correctly. The superintendent is confident this finding will be resolved by the end of the fiscal year.

2015-003 RHCA-Compliance and Internal Control-Significant Deficiency Condition

We noted an employee was setup incorrectly in Visions and was only paying into ERB not RHCA. Total wages under reported to RHCA for this employee totaled \$15,411.75. The amount due to RHCA is \$154.12 for the employee portion and \$308.24 for the employer portion, totaling \$462.35.

Criteria

State Compliance, Section 2.2.2.10 (G) (19). The rule states: "Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978). Auditors should test to ensure 100% of payroll is reported to NMRHCA

Cause

The business manager was interrupted during the set up process. The administration offices are not secure, conversations are not private, it is very noisy, teachers, students and visitors are constantly coming and going causing many interruptions. We believe the facilities are the root of all of the findings.

Effect

RHCA was underpaid.

Recommendation

We recommend securing the offices promoting a work environment where there are limited interruptions.

Response

We have paid RHCA and will consider you comments regarding our facilities. The business manager is confident this finding will be resolved by the end of the fiscal year.

2015-004 Exit Conference-Compliance-Significant Deficiency Condition

The District could not get a board member to attend the exit conference.

Criteria

State Compliance, Section 2.2.2.10 J (1). The rule states: The IPA must hold an exit conference with representatives of the agency's governing authority, or the governing authority's designee, and top management.

Cause

When the District contacted the board members they all stated they were at work or had prior commitments.

Effect

The District is in violation of NMAC 2.2.2.10 J (1).

Recommendation

The District and Auditor should work together to ensure they give plenty of notice to the board members so they can adjust their schedules.

Response

Board members were unavailable for the exit. The late notice for the time/day made it difficult to arrange schedules. In addition, had the superintendent known it was required for board members to be present, she would have stressed that with members. The superintendent is confident this finding will be resolved by the end of the fiscal year.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on September 30, 2015. Those present were Vannetta R. Perry-Superintendent, Keri James-Federal/State Programs Coordinator, Dorothy Zamora-Business Manager and De'Aun Willoughby, CPA.