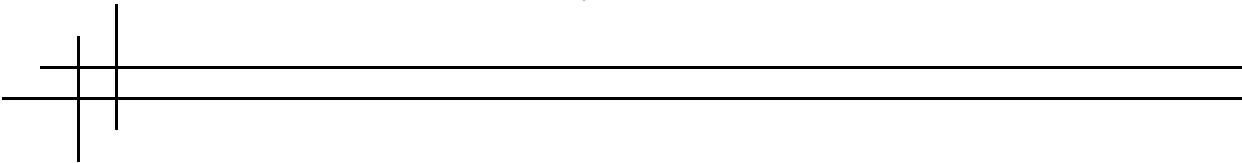


State of New Mexico  
**Magdalena Municipal Schools**

**Annual Financial Report**  
June 30, 2016

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



	<u>Page</u>
Official Roster.....	6
Independent Auditor's Report.....	7-9
<b>Financial Section</b>	
Basic Financial Statements	
Government Wide Financial Statements	
Statement of Net Position.....	11
Statement of Activities.....	12
Fund Financial Statements	
Government Funds - Balance Sheet.....	13-15
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position.....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	17-19
Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities.....	20
<b>Major Funds</b>	
<b>General Fund-11000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	21-23
<b>Teacherage-12000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	24
<b>Transportation-13000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	25
<b>Instructional Material-14000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	26
<b>Title I-24101</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	27
<b>Indian Education-Special Projects-25194</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	28
Statement of Fiduciary Assets and Liabilities-Agency Funds .....	29
Notes to Financial Statements.....	30-47

	<u>Page</u>
<b>Supplemental Information Related to Major Funds</b>	
<b>Debt Service-41000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	49
<b>Supplemental Information Related to Nonmajor Funds</b>	
<b>Nonmajor Funds</b>	
Combining Balance Sheet.....	54-63
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	64-73
<b>Food Service-21000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	74
<b>Athletics-22000</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	75
<b>IDEA B Entitlement-24106</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance- Budget (Budgetary Basis) and Actual.....	76
<b>IDEA B Preschool-24109</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	77
<b>IDEA B Early Intervention-24112</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	78
<b>Fresh Fruits and Vegetables-24118</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	79
<b>IDEA B Risk Pool-24120</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	80
<b>IDEA B Results Plan-27132</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	81
<b>Improving Teacher Quality-24154</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	82
<b>Johnson O'Malley-25131</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	83
<b>Impact Aid-Special Education-25145</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	84
<b>Impact Aid-Indian Education-25147</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	85-86
<b>Medicaid-25153</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	87

	<u>Page</u>
<b>Indian Education Formula-25184</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	88
<b>Farm to School Planning Grant-25208</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	89
<b>Dual Credit Instructional Materials-27103</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	90
<b>GO Bond Student Library-27107</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	91
<b>Pre K Initiative-27149</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	92
<b>Indian Education Act-27150</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	93
<b>Breakfast for Elementary-27155</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	94
<b>School Bus-27178</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	95
<b>NM Grown Fruits and Vegetables-27183</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	96
<b>Hard to Staff STEM-27195</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	97
<b>Grads Plus-28203</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	98
<b>Farm to Table-29102</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	99
<b>Bond Building-31100</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	100
<b>Senate Bill Nine-31700</b>	
Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget (Budgetary Basis) and Actual.....	101
<b>Required Supplemental Information</b>	
Schedules of Required Supplementary Information for the Pension Plan.....	103
Notes to Required Supplementary Information for the Pension Plan.....	104

	<u>Page</u>
<b>Other Supplemental Information</b>	
<b>Activity</b>	
Schedule of Fiduciary Assets and Liabilities-Agency Funds .....	107-108
Cash Reconciliations-All Funds.....	109
Vendor Schedule.....	110
<b>Federal Compliance</b>	
Schedule of Expenditures of Federal Awards.....	112
Notes to the Schedule of Expenditures of Federal Awards.....	113
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i> .....	114-115
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Uniform Guidance.....	116-117
Schedule of Findings and Questioned Costs.....	118-123

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

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**Board of Education**

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

**School Officials**

Vannetta Perry	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 funds of Magdalena Municipal Schools (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the 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, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

## Opinions

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

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule of Expenditures of Federal Awards as required by Office of Management and Budget *Title 2 U.S. CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the other schedules required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*De'Ann Willoughby CPA PC*

Clovis, New Mexico  
September 21, 2016

## **Financial Section**

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

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	\$ 104,262
Taxes Receivable	117,705
Due from Grantor	630,541
Inventory	2,848
Restricted Cash	18,681
Total Current Assets	874,037
Noncurrent Assets	
Capital Assets	18,599,734
Less: Accumulated Depreciation	(8,159,866)
Total Noncurrent Assets	10,439,868
Total Assets	11,313,905
<b>Deferred Outflows of Resources</b>	
Deferred Outflows Related to Pensions	
Changes of Assumptions	246,604
Changes in Proportion	92,475
Contributions Subsequent to Measurement Date	444,553
Total Deferred Outflows of Resources	783,632
<b>Liabilities</b>	
Current Liabilities	
Accounts Payable	32,570
Accrued Salaries and Benefits	40,176
Accrued Interest	12,644
Compensated Absences	140,943
Current Portion Due of Long-Term Debt	150,000
Total Current Liabilities	376,333
Noncurrent Liabilities	
Bonds	1,610,000
Pension Liability	7,169,686
Total Noncurrent Liabilities	8,779,686
Total Liabilities	9,156,019
<b>Deferred Inflows of Resources</b>	
Deferred Inflows Related to Pensions	
Actuarial Experience	132,919
Investment Experience	32,273
Changes in Proportion	296,842
Total Deferred Inflows of Resources	462,034
<b>Net Position</b>	
Net Investment in Capital Assets	8,679,868
Restricted for:	
Capital Projects	64,840
Debt Service	6,886
Unrestricted	(6,272,110)
Total Net Position	\$ 2,479,484

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, 2016

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental Activities</b>					
Instruction	\$ 3,593,620	25,728	\$ 992,672	\$ 0	\$ (2,575,220)
Support Services					
Students	574,383	35,638	91,346	0	(447,399)
Instruction	231,224	0	4,170	0	(227,054)
General Administration	318,714	921	30,651	0	(287,142)
School Administration	347,189	0	149,805	0	(197,384)
Central Services	157,477	0	0	0	(157,477)
Operation of Plant	797,000	0	58	0	(796,942)
Student Transportation	320,569	0	281,669	0	(38,900)
Other	1,742	0	0	0	(1,742)
Food Services Operations	291,856	13,270	228,912	0	(49,674)
Community Services	2,927	0	2,876	0	(51)
Interest and Other Charges	59,206	0	0	0	(59,206)
<b>Total Governmental Activities</b>	<b>\$ 6,695,907</b>	<b>\$ 75,557</b>	<b>\$ 1,782,159</b>	<b>\$ 0</b>	<b>(4,838,191)</b>
<b>General Revenues</b>					
<b>Taxes</b>					
Property Taxes, Levied for General Purposes					9,571
Property Taxes, Levied for Capital Projects					59,349
Property Taxes, Levied for Debt Service					181,875
Federal and State aid not restricted to specific purpose					
General					4,257,147
Capital					180,106
Miscellaneous					59,269
Subtotal, General Revenues					<u>4,747,317</u>
Change in Net Position					<u>(90,874)</u>
Net Position - Beginning					2,450,900
Restatement					119,458
Restated Beginning Net Position					<u>2,570,358</u>
Net Position - Ending					<u>\$ 2,479,484</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, 2016

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 487	\$ 9
Receivables			
Property Taxes	5,195	0	0
Due From Grantor	0	0	0
Interfund Balance	585,448	0	0
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 590,643</u>	<u>\$ 487</u>	<u>\$ 9</u>
<b>Liabilities</b>			
Accounts Payable	\$ 21,891	\$ 0	\$ 590
Accrued Salaries and Benefits	28,638	0	1,977
Interfund Balance	0	0	0
Current Amount Due:			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>50,529</u>	<u>0</u>	<u>2,567</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	5,067	0	0
Total Deferred Inflows of Resources	<u>5,067</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned	535,047	487	(2,558)
Total Fund Balances	<u>535,047</u>	<u>487</u>	<u>(2,558)</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 590,643</u>	<u>\$ 487</u>	<u>\$ 9</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, 2016

	General Fund		
	Instructional Materials 14000	Special Revenue	
		Tile I 24101	Indian Education 25194
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,475	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	206,318	124,206
Interfund Balance	12,489	0	0
Inventory	0	0	0
Restricted Cash	0	0	0
<b>Total Assets</b>	<b>\$ 13,964</b>	<b>\$ 206,318</b>	<b>\$ 124,206</b>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	2,226	2,313
Interfund Balance	0	204,092	121,893
Current Amount Due:			
Principal	0	0	0
Interest	0	0	0
<b>Total Liabilities</b>	<b>0</b>	<b>206,318</b>	<b>124,206</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned	13,964	0	0
<b>Total Fund Balances</b>	<b>13,964</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 13,964</b>	<b>\$ 206,318</b>	<b>\$ 124,206</b>

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, 2016

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 37,791	\$ 64,500	\$ 104,262
Receivables			
Property Taxes	83,968	28,542	117,705
Due From Grantor	0	300,017	630,541
Interfund Balance	0	0	597,937
Inventory	0	2,848	2,848
Restricted Cash	0	18,681	18,681
Total Assets	<u>\$ 121,759</u>	<u>\$ 414,588</u>	<u>\$ 1,471,974</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 10,089	\$ 32,570
Accrued Salaries and Benefits	0	5,022	40,176
Interfund Balance	0	271,952	597,937
Current Amount Due:			
Principal	30,000	0	30,000
Interest	3,121	0	3,121
Total Liabilities	<u>33,121</u>	<u>287,063</u>	<u>703,804</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	81,752	27,794	114,613
Total Deferred Inflows of Resources	<u>81,752</u>	<u>27,794</u>	<u>114,613</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	2,848	2,848
Restricted for:			
Special Revenue Funds	0	53,168	53,168
Capital Improvements	0	64,840	64,840
Debt Service	6,886	0	6,886
Unassigned	0	(21,125)	525,815
Total Fund Balances	<u>6,886</u>	<u>99,731</u>	<u>653,557</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 121,759</u>	<u>\$ 414,588</u>	<u>\$ 1,471,974</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, 2016

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Total Fund Balance - Governmental Funds \$ 653,557

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. 114,613

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

Capital Assets	\$ 18,599,734	
Accumulated Depreciation	<u>(8,159,866)</u>	10,439,868

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	783,632	
Deferred Inflows Related to Pensions	<u>(462,034)</u>	321,598

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	(1,760,000)	
Current Portion of Principal Due	30,000	
Pension Liability	(7,169,686)	
Accrued Interest	(12,644)	
Current Portion of Interest Due	3,121	
Compensated Absences	<u>(140,943)</u>	<u>(9,050,152)</u>

Total Net Position - Governmental Activities \$ 2,479,484

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, 2016

	General Fund		
	Operational 11000	Teacherage 12000	Transportation 13000
<b>Revenues</b>			
Property Taxes	\$ 9,779	\$ 0	\$ 0
Fees	921	0	0
State & Local Grants	3,765,932	0	270,795
Federal Grants	491,215	0	0
Miscellaneous	65,595	0	0
<b>Total Revenues</b>	<b>4,333,442</b>	<b>0</b>	<b>270,795</b>
<b>Expenditures</b>			
Current			
Instruction	2,194,134	0	0
Support Services			
Students	445,686	0	0
Instruction	215,212	0	0
General Administration	288,708	0	0
School Administration	196,380	0	0
Central Services	156,214	0	0
Operation of Plant	696,568	1,259	0
Student Transportation	0	0	271,333
Other	1,742	0	0
Food Service Operations	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>4,194,644</b>	<b>1,259</b>	<b>271,333</b>
Excess (Deficiency) of Revenues Over Expenditures	138,798	(1,259)	(538)
Fund Balances at Beginning of Year	396,249	1,746	(2,020)
Fund Balance End of Year	\$ 535,047	\$ 487	\$ (2,558)

The notes to the financial statements are an integral

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

	General		
	Fund	Special Revenue	
	Instructional Materials 14000	Tile I 24101	Indian Education 25194
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	24,892	0	0
Federal Grants	0	399,211	295,310
Miscellaneous	0	0	0
<b>Total Revenues</b>	<u>24,892</u>	<u>399,211</u>	<u>295,310</u>
<b>Expenditures</b>			
Current			
Instruction	12,453	315,525	216,190
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	19,625	4,540
School Administration	0	64,061	74,580
Central Services	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Other	0	0	0
Food Service Operations	0	0	0
Community Services	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<u>12,453</u>	<u>399,211</u>	<u>295,310</u>
Excess (Deficiency) of Revenues Over Expenditures	12,439	0	0
Fund Balances at Beginning of Year	<u>1,525</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 13,964</u>	<u>\$ 0</u>	<u>\$ 0</u>

The notes to the financial statements are an integral

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

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>			
Property Taxes	\$ 173,446	\$ 57,769	\$ 240,994
Fees	0	74,636	75,557
State & Local Grants	0	352,296	4,413,915
Federal Grants	0	619,761	1,805,497
Miscellaneous	0	936	66,531
Total Revenues	<u>173,446</u>	<u>1,105,398</u>	<u>6,602,494</u>
<b>Expenditures</b>			
Current			
Instruction	0	461,894	3,200,196
Support Services			
Students	0	134,444	580,130
Instruction	0	4,170	219,382
General Administration	1,733	9,132	323,738
School Administration	0	11,401	346,422
Central Services	0	0	156,214
Operation of Plant	0	76,694	774,521
Student Transportation	0	10,934	282,267
Other	0	0	1,742
Food Service Operations	0	278,948	278,948
Community Services	0	2,927	2,927
Capital Outlay	0	437,993	437,993
Debt Service			
Principal	205,000	0	205,000
Interest	55,442	0	55,442
Total Expenditures	<u>262,175</u>	<u>1,428,537</u>	<u>6,864,922</u>
Excess (Deficiency) of Revenues Over Expenditures	(88,729)	(323,139)	(262,428)
Fund Balances at Beginning of Year	<u>95,615</u>	<u>422,870</u>	<u>915,985</u>
Fund Balance End of Year	<u>\$ 6,886</u>	<u>\$ 99,731</u>	<u>\$ 653,557</u>

The notes to the financial statements are an integral

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, 2016

Excess (Deficiency) of Revenues Over Expenditures \$ (262,428)

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

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

Property Taxes Receivable, June 30, 2015	\$ (104,812)	
Property Taxes Receivable, June 30, 2016	<u>114,613</u>	9,801

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	(536,617)	
Loss on Disposal of Assets	(7,262)	
Capital Outlays	<u>437,993</u>	(105,886)

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

205,000

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, 2015	5,759	
Accrued Interest, June 30, 2016	<u>(9,523)</u>	(3,764)

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

Compensated Absences, June 30, 2015	173,302	
Compensated Absences, June 30, 2016	<u>(140,943)</u>	32,359

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	444,553	
Pension Expense	<u>(410,509)</u>	<u>34,044</u>

Changes in Net Position of Governmental Activities \$ (90,874)

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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 10,075	\$ 10,075	\$ 9,758	\$ (317)
Fees	0	0	921	921
State Grant	3,791,539	3,765,300	3,765,932	632
Federal Grant	377,534	425,889	491,215	65,326
Miscellaneous	47,999	47,999	65,594	17,595
Total Revenues	<u>4,227,147</u>	<u>4,249,263</u>	<u>4,333,420</u>	<u>84,157</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	1,665,108	1,679,215	1,584,357	94,858
Employee Benefits	599,836	569,225	525,651	43,574
Professional & Tech Services	6,000	7,819	5,752	2,067
Purchased Property Services	0	0	0	0
Purchased Services	27,000	33,500	20,678	12,822
Supplies	117,000	124,681	54,231	70,450
Supply Assets	15,000	15,500	2,335	13,165
Total Instruction	<u>2,429,944</u>	<u>2,429,940</u>	<u>2,193,004</u>	<u>236,936</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	124,444	126,050	118,323	7,727
Employee Benefits	68,599	48,599	43,387	5,212
Professional & Tech Services	287,250	309,497	273,931	35,566
Purchased Services	250	2,250	1,985	265
Supplies	2,500	9,500	8,320	1,180
Supply Assets	0	3,500	740	2,760
Total Students	<u>483,043</u>	<u>499,396</u>	<u>446,686</u>	<u>52,710</u>
<b>Instruction</b>				
Personnel Services	123,888	122,238	113,420	8,818
Employee Benefits	57,118	57,038	51,892	5,146
Professional & Tech Services	1,000	3,750	3,453	297
Purchased Services	5,500	17,800	10,459	7,341
Supplies	55,000	45,000	35,411	9,589
Supply Assets	5,000	1,000	0	1,000
Total Instruction	<u>\$ 247,506</u>	<u>\$ 246,826</u>	<u>\$ 214,635</u>	<u>\$ 32,191</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>General Administration</b>				
Personnel Services	\$ 139,959	\$ 130,789	\$ 129,252	\$ 1,537
Employee Benefits	50,066	45,138	39,863	5,275
Professional & Tech Services	59,700	72,851	66,813	6,038
Purchased Property Services	3,000	17,500	17,442	58
Purchased Services	18,500	23,500	16,435	7,065
Supplies	20,250	15,000	12,699	2,301
Supply Assets	0	3,000	2,796	204
Total General Administration	<u>291,475</u>	<u>307,778</u>	<u>285,300</u>	<u>22,478</u>
<b>School Administration</b>				
Personnel Services	135,200	140,200	138,909	1,291
Employee Benefits	46,489	50,077	48,979	1,098
Professional & Tech Services	1,800	1,800	1,226	574
Purchased Services	2,500	3,000	2,195	805
Supplies	20,000	14,500	3,702	10,798
Supply Assets	0	500	372	128
Total School Administration	<u>205,989</u>	<u>210,077</u>	<u>195,383</u>	<u>14,694</u>
<b>Central Services</b>				
Personnel Services	93,758	96,400	96,397	3
Employee Benefits	26,150	33,870	31,924	1,946
Professional & Tech Services	2,800	3,500	3,022	478
Purchased Services	2,500	2,500	1,073	1,427
Supplies	20,000	23,223	20,577	2,646
Supply Assets	4,000	3,500	0	3,500
Total Central Services	<u>149,208</u>	<u>162,993</u>	<u>152,993</u>	<u>10,000</u>
<b>Operation of Plant</b>				
Personnel Services	228,175	229,051	221,133	7,918
Employee Benefits	81,192	67,481	67,481	0
Professional & Tech Services	200	3,700	2,117	1,583
Purchased Property Services	382,829	353,311	262,214	91,097
Purchased Services	116,586	117,136	112,713	4,423
Supplies	38,316	37,816	28,231	9,585
Supply Assets	5,000	3,500	1,925	1,575
Total Operation of Plant	<u>852,298</u>	<u>811,995</u>	<u>695,814</u>	<u>116,181</u>
<b>Other Support Service</b>				
Other Support Services	<u>14,454</u>	<u>14,454</u>	<u>1,742</u>	<u>12,712</u>
Total Other Support Service	<u>14,454</u>	<u>14,454</u>	<u>1,742</u>	<u>12,712</u>
<b>Total Support Services</b>	<u>\$ 2,243,973</u>	<u>\$ 2,253,519</u>	<u>\$ 1,992,553</u>	<u>\$ 260,966</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Total Expenditures	\$ <u>4,673,917</u>	\$ <u>4,683,459</u>	\$ <u>4,185,557</u>	\$ <u>497,902</u>
Excess (Deficiency) of Revenues Over Expenditures	(446,770)	(434,196)	147,863	582,059
Cash Balance Beginning of Year	<u>437,585</u>	<u>437,585</u>	<u>437,585</u>	<u>0</u>
Cash Balance End of Year	\$ <u><u>(9,185)</u></u>	\$ <u><u>3,389</u></u>	\$ <u><u>585,448</u></u>	\$ <u><u>582,059</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 147,863	
Net Change in Taxes Receivable			(187)	
Net Change in Accounts Payable			(3,173)	
Net Change in Accrued Salaries & Benefits			(5,913)	
Net Change in Deferred Revenue			208	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>138,798</u></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, 2016

	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				
Operation of Plant				
Supplies	1,746	1,746	1,259	487
Total Operation of Plant	<u>1,746</u>	<u>1,746</u>	<u>1,259</u>	<u>487</u>
Total Support Services	<u>1,746</u>	<u>1,746</u>	<u>1,259</u>	<u>487</u>
Total Expenditures	<u>1,746</u>	<u>1,746</u>	<u>1,259</u>	<u>487</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,746)	(1,746)	(1,259)	487
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>\$ 0</u>	<u>\$ 0</u>	<u>\$ 487</u>	<u>\$ 487</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (1,259)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,259)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 288,295	270,795	\$ 270,795	\$ 0
Total Revenues	<u>288,295</u>	<u>270,795</u>	<u>270,795</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Student Transportation</b>				
Personnel Services	117,809	124,725	124,725	0
Employee Benefits	46,102	36,220	36,220	0
Purchased Property Services	9,000	14,869	14,869	0
Purchased Services	55,490	45,481	45,481	0
Supplies	59,894	48,846	48,846	0
Supply Assets	0	655	655	0
Total Student Transportation	<u>288,295</u>	<u>270,796</u>	<u>270,796</u>	<u>0</u>
Total Support Services	<u>288,295</u>	<u>270,796</u>	<u>270,796</u>	<u>0</u>
Total Expenditures	<u>288,295</u>	<u>270,796</u>	<u>270,796</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(1)	(1)	0
Returned to PED	<u>0</u>	<u>0</u>	<u>(9)</u>	<u>(9)</u>
Cash Balance Beginning of Year	<u>18</u>	<u>18</u>	<u>18</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 18</u>	<u>\$ 18</u>	<u>\$ 9</u>	<u>\$ (9)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1)	
Net Change in Accounts Payable			(504)	
Net Change in Accrued Salaries & Benefits			(24)	
Returned to PED			(9)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (538)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 18,797	\$ 24,876	\$ 24,892	\$ 16
Total Revenues	<u>18,797</u>	<u>24,876</u>	<u>24,892</u>	<u>16</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	18,797	24,876	12,453	12,423
Total Instruction	<u>18,797</u>	<u>24,876</u>	<u>12,453</u>	<u>12,423</u>
Total Expenditures	<u>18,797</u>	<u>24,876</u>	<u>12,453</u>	<u>12,423</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	12,439	12,439
Cash Balance Beginning of Year	<u>1,525</u>	<u>1,525</u>	<u>1,525</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 1,525</u>	<u>\$ 1,525</u>	<u>\$ 13,964</u>	<u>\$ 12,439</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures			\$ <u>12,439</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>12,439</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-Title I-24101  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 704,633	\$ 741,260	\$ 493,891	\$ (247,369)
Total Revenues	<u>704,633</u>	<u>741,260</u>	<u>493,891</u>	<u>(247,369)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	187,998	186,632	186,630	2
Employee Benefits	71,194	67,617	67,612	5
Professional & Tech Services	3,300	3,490	3,490	0
Purchased Services	31,500	31,189	18,769	12,420
Supplies	11,800	43,598	39,626	3,972
Supply Assets	2,000	2,000	0	2,000
Total Instruction	<u>307,792</u>	<u>334,526</u>	<u>316,127</u>	<u>18,399</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	20,892	20,695	19,625	1,070
Total General Administration	<u>20,892</u>	<u>20,695</u>	<u>19,625</u>	<u>1,070</u>
<b>School Administration</b>				
Personnel Services	47,792	49,542	44,414	5,128
Employee Benefits	24,761	24,780	17,243	7,537
Professional & Tech Services	500	500	0	500
Purchased Services	0	178	178	0
Supplies	2,500	10,643	0	10,643
Total School Administration	<u>75,553</u>	<u>85,643</u>	<u>61,835</u>	<u>23,808</u>
Total Support Services	<u>96,445</u>	<u>106,338</u>	<u>81,460</u>	<u>24,878</u>
Total Expenditures	<u>404,237</u>	<u>440,864</u>	<u>397,587</u>	<u>43,277</u>
Excess (Deficiency) of Revenues Over Expenditures	300,396	300,396	96,304	(204,092)
Cash Balance Beginning of Year	<u>(300,396)</u>	<u>(300,396)</u>	<u>(300,396)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(204,092)</u>	\$ <u>(204,092)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ 96,304	
Net Change in Due from Grantor			(94,680)	
Net Change in Accounts Payable			602	
Net Change in Accrued Salaries & Benefits			(2,226)	
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-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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 296,279	\$ 296,279	\$ 174,386	\$ (121,893)
Total Revenues	<u>296,279</u>	<u>296,279</u>	<u>174,386</u>	<u>(121,893)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	116,788	145,707	145,707	0
Employee Benefits	40,185	45,002	45,002	0
Professional & Tech Services	2,619	8,886	8,886	0
Other Purchased Services	46,785	12,433	12,433	0
Supplies	7,500	1,849	1,849	0
Total Instruction	<u>213,877</u>	<u>213,877</u>	<u>213,877</u>	<u>0</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	12,057	4,540	4,540	0
Total General Administration	<u>12,057</u>	<u>4,540</u>	<u>4,540</u>	<u>0</u>
<b>School Administration</b>				
Personnel Services	48,000	52,147	52,147	0
Employee Benefits	18,800	19,203	19,203	0
Professional & Tech Services	3,545	3,283	3,283	0
Other Purchased Services	0	3,062	3,062	0
Supplies	0	167	167	0
Total School Administration	<u>70,345</u>	<u>77,862</u>	<u>77,862</u>	<u>0</u>
Total Support Services	<u>82,402</u>	<u>82,402</u>	<u>82,402</u>	<u>0</u>
Total Expenditures	<u>296,279</u>	<u>296,279</u>	<u>296,279</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(121,893)	(121,893)
Cash Balance Beginning of Year	\$ 0	\$ 0	\$ 0	\$ 0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (121,893)</u>	<u>\$ (121,893)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (121,893)	
Net Change in Due from Grantor			120,923	
Net Change in Accrued Salaries & Benefits			970	
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**  
Statement of Fiduciary Assets and Liabilities-Agency Funds  
June 30, 2016

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	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>102,515</u>
Total Assets	\$ <u><u>102,515</u></u>
Liabilities	
Deposits Held for Others	\$ <u>102,515</u>
Total Liabilities	\$ <u><u>102,515</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.

**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.

**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 statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

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

#### Revenue Recognition for Grants.

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

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



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

*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.

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

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:

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

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

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

Estimates

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

**A. Deposits and Investments**

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

<u>Name of Account</u>	Balance Per Bank 6/30/16	Reconciled Balance	Type
Magdalena Municipal Schools	\$ 364,098	\$ 69,204	Non-Interest
Magdalena Municipal Schools Activity Account	163 139,142	163 137,410	Interest Interest
Total Deposited	<u>503,403</u>	<u>\$ 206,777</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	253,403		
50% collateral requirement	126,702		
Pledged securities	191,070		
Over (Under) requirement	<u>\$ 64,369</u>		

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

State of New Mexico  
**Magdalena Municipal Schools**  
Notes to the Financial Statements  
June 30, 2016

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	3138LTF78	\$ 191,070	05/01/2042	New York, NY
		\$ <u>191,070</u>		

**Bank of America-NMFA**

<u>Name of Account</u>		<u>Balance Per Bank 6/30/16</u>	<u>Reconciled Balance</u>	<u>Type</u>
Bond Building	Checking	\$ 18,681	\$ 18,681	Interest

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 268,681
Collateralized:	
Collateral held by the pledging bank in	
District's name	191,070
Uninsured and uncollateralized	62,333
Total Deposits	\$ <u>522,084</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016 \$62,333 of the District's balance of \$522,084 was exposed to custodial risk.

**B. Receivables**

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

	<u>General Fund</u>	<u>Debt Service</u>	<u>Other Governmental</u>	<u>Total</u>
Property Tax				
Available	\$ 128	\$ 2,216	\$ 748	\$ 3,092
Unavailable	5,067	81,752	27,794	114,613
Total Property Taxes Receivable	\$ <u>5,195</u>	\$ <u>83,968</u>	\$ <u>28,542</u>	\$ <u>117,705</u>

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

	<u>Title I 24101</u>	<u>Indian Education 25194</u>	<u>Other Governmental</u>	<u>Total</u>
Federal Agencies	\$ 206,318	\$ 124,206	\$ 156,417	\$ 486,941
State Agencies	0	0	143,600	143,600
Total	\$ <u>206,318</u>	\$ <u>124,206</u>	\$ <u>300,017</u>	\$ <u>630,541</u>

**C. Interfund Receivables, Payables and Transfers**

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

Due to General Fund from: General

State of New Mexico  
**Magdalena Municipal Schools**  
Notes to the Financial Statements  
June 30, 2016

Title I-24101	\$	204,092
Indian Education-25194		121,893
Other Governmental Funds		<u>271,952</u>
Totals	\$	<u><u>597,937</u></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.

**D. Capital Assets**

Capital assets balances and activity for the year ended June 30, 2016, is as follows:

	Balance 6/30/15	Increases	Deletions	Balance 6/30/16
<b>Governmental Activities</b>				
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	\$ 16,558,001	\$ 324,090	\$ (3,842)	\$ 16,878,249
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,882,688</u>	<u>113,903</u>	<u>(344,778)</u>	<u>1,651,813</u>
Total Capital Assets, being	<u>18,440,689</u>	<u>437,993</u>	<u>(348,620)</u>	<u>18,530,062</u>
Total Capital Assets	<u>18,510,361</u>	<u>437,993</u>	<u>(348,620)</u>	<u>18,599,734</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	6,683,954	470,591	(3,842)	7,150,703
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>1,280,654</u>	<u>66,026</u>	<u>(337,517)</u>	<u>1,009,163</u>
Total Accumulated Depreciation	<u>7,964,608</u>	<u>536,617</u>	<u>(341,359)</u>	<u>8,159,866</u>
Capital Assets, net	<u>\$ 10,545,753</u>	<u>\$ (98,624)</u>	<u>\$ (7,261)</u>	<u>\$ 10,439,868</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	467,212
Support Services		
Instruction		4,168
General Administration		779
School Administration		110
Operation & Maintenance of Plant		26,324
Student Transportation		31,123
Food Services Operations		<u>6,901</u>
Total Depreciation Expenses	\$	<u><u>536,617</u></u>

**E. Long-Term Debt and Other Liabilities**

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

	Balance 6/30/15	Additions	Reductions	Balance 6/30/16	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 1,935,000	\$ 0	\$ 175,000	\$ 1,760,000	\$ 150,000
Total Bonds	\$ 1,935,000	\$ 0	\$ 175,000	\$ 1,760,000	\$ 150,000
Other Liabilities					
Compensated					
Absences	\$ 173,302	\$ 79,927	\$ 112,289	\$ 140,940	\$ 140,940
Total Other Liabilities	\$ 173,302	\$ 79,927	\$ 112,289	\$ 140,940	\$ 140,940

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	10/15/03	200,000	7.500%	\$ 40,000
2011	5/15/11	1,200,000	3.900%	1,080,000
2012	1/15/12	195,000	3.991%	120,000
2015	1/23/15	520,000	0.075%	520,000
				\$ 1,760,000

The annual requirements to amortize the General Obligation Bonds Issue as of June 30, 2016, including interest payments are as follows:

	Principal	Interest	Total
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	210,000	31,379	241,379
2022-2026	645,000	47,961	692,961
2027-2028	155,000	158	155,158
Total	\$ 1,760,000	\$ 262,151	\$ 2,022,151



**F Commitments**

The District has various construction projects for repairs on June 30, 2016.

**G. Retirement Plan**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

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

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

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

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

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

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

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$444,553 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$7,169,686 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District proportion was 0.11069 percent, which was an increase of 0.00774 percent from its proportion measured as of June 30, 2014.

State of New Mexico  
**Magdalena Municipal Schools**  
Notes to the Financial Statements  
June 30, 2016

For the year ended June 30, 2016, the District recognized pension expense of \$410,509. At the June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 132,919
Changes of assumptions	246,604	0
Net difference between projected and actual earnings on pension plan investments	0	32,273
Changes in proportion and differences between the District's contributions and proportionate share of contributions	92,475	296,842
District's contributions subsequent to the measurement date	444,553	0
Total	\$ <u>783,632</u>	\$ <u>462,034</u>

\$444,553 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2017	\$ (142,883)
2018	(120,015)
2019	40,349
2020	99,594
Total	\$ <u>(122,955)</u>

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Districts' proportionate share of the net pension liability	\$ 9,647,292	\$ 7,169,686	\$ 5,088,240

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$64,001, \$62,621, and \$59,889, 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 September 21, 2016, which is the date the financial statements were available to be issued.

**N. Restatement**

The Net Position was restated \$119,458 to adjust deferred outflows and deferred inflows related to pension plans.

**O. Fund Deficient Balances**

Transportation 13000 has a deficient fund balance of \$(2,558), Impact Aid Special Education 25145 had a deficient fund balance of \$(662), and Medicaid 25153 has a deficient fund balance of \$(20,461).

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 160,000	\$ 160,000	\$ 173,263	\$ 13,263
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>173,263</u>	<u>13,263</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	2,000	2,000	1,732	268
Total General Administration	<u>2,000</u>	<u>2,000</u>	<u>1,732</u>	<u>268</u>
Total Support Service	<u>2,000</u>	<u>2,000</u>	<u>1,732</u>	<u>268</u>
Debt Service				
Principal	175,000	175,000	175,000	0
Interest	57,095	57,095	57,095	0
Total Debt Service	<u>232,095</u>	<u>232,095</u>	<u>232,095</u>	<u>0</u>
Total Expenditures	<u>234,095</u>	<u>234,095</u>	<u>233,827</u>	<u>268</u>
Excess (Deficiency) of Revenues Over Expenditures	(74,095)	(74,095)	(60,564)	13,531
Cash Balance Beginning of Year	<u>98,355</u>	<u>98,355</u>	<u>98,355</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 24,260</u>	<u>\$ 24,260</u>	<u>\$ 37,791</u>	<u>\$ 13,531</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (60,564)	
Net Change in Taxes Receivable			8,612	
Net Change in Current Amount Due			(28,348)	
Net Change in Unavailable Revenue			(8,429)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (88,729)</u>	

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

**Supplemental Information Related to  
Nonmajor 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.

**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.

**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.

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

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

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

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
<b>Assets</b>			
Cash and Cash Equivalents	\$ 16,430	\$ 34,956	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	68,157
Inventory	2,848	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 19,278</u>	<u>\$ 34,956</u>	<u>\$ 68,157</u>
<b>Liabilities</b>			
Accounts Payable	\$ 9,298	\$ 0	\$ 0
Accrued Salaries and Benefits	1,528	0	2,648
Interfund Balance	0	0	65,509
Total Liabilities	<u>10,826</u>	<u>0</u>	<u>68,157</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	2,848	0	0
Restricted for:			
Special Revenue	5,604	34,956	0
Capital Projects	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>8,452</u>	<u>34,956</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 19,278</u>	<u>\$ 34,956</u>	<u>\$ 68,157</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, 2016

	Special Revenue Fund		
	IDEA Preschool 24109	IDEA B Early Intervention 24112	Fresh Fruit and Vegetables 24118
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	8,156	15,074	0
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 8,156</u>	<u>\$ 15,074</u>	<u>\$ 0</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	8,156	15,074	0
Total Liabilities	<u>8,156</u>	<u>15,074</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
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>\$ 8,156</u>	<u>\$ 15,074</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, 2016

	Special Revenue Fund		
	IDEA B Risk Pool 24120	IDEA B Results Plan 24132	Improving Teacher Quality 24154
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	85	3,332	34,304
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 85</u>	<u>\$ 3,332</u>	<u>\$ 34,304</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	85	3,332	34,304
Total Liabilities	<u>85</u>	<u>3,332</u>	<u>34,304</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
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>\$ 85</u>	<u>\$ 3,332</u>	<u>\$ 34,304</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, 2016

	Special Revenue Fund		
	Johnson O'Malley 25131	Impact-Aid Special Education 25145	Impact-Aid Indian Education 25147
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 182	\$ 12,932
Receivables			
Property Taxes	0	0	0
Due From Grantor	6,322	0	0
Inventory	0	0	0
Restricted Cash	0	0	0
<b>Total Assets</b>	<b>\$ 6,322</b>	<b>\$ 182</b>	<b>\$ 12,932</b>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 324
Accrued Salaries and Benefits	0	846	0
Interfund Balance	6,322	0	0
<b>Total Liabilities</b>	<b>6,322</b>	<b>846</b>	<b>324</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	12,608
Capital Projects	0	0	0
Unassigned	0	(664)	0
<b>Total Fund Balances</b>	<b>0</b>	<b>(664)</b>	<b>12,608</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,322</b>	<b>\$ 182</b>	<b>\$ 12,932</b>

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, 2016

	Special Revenue Fund		
	Medicaid 25153	Indian Education Formula 25184	Farm to School Planning Grant 25208
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	13,251	7,736
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 13,251</u>	<u>\$ 7,736</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	20,461	13,251	7,736
Total Liabilities	<u>20,461</u>	<u>13,251</u>	<u>7,736</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Unassigned	(20,461)	0	0
Total Fund Balances	<u>(20,461)</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 13,251</u>	<u>\$ 7,736</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, 2016

	Special Revenue Fund		
	Duel Credit Instructional Materials 27103	GO Student Library 27107	NM Reads to Lead 27114
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	4,182	30,790
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 0</u>	<u>\$ 4,182</u>	<u>\$ 30,790</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	4,182	30,790
Total Liabilities	<u>0</u>	<u>4,182</u>	<u>30,790</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
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>\$ 0</u>	<u>\$ 4,182</u>	<u>\$ 30,790</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, 2016

	Special Revenue Fund		
	Pre-K Initiative 27149	Indian Education Act 27150	Breakfast for Elementary 27155
	<u>27149</u>	<u>27150</u>	<u>27155</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	23,422	22,039	0
Inventory	0	0	0
Restricted Cash	0	0	0
Total Assets	<u>\$ 23,422</u>	<u>\$ 22,039</u>	<u>\$ 0</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	23,422	22,039	0
Total Liabilities	<u>23,422</u>	<u>22,039</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
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>\$ 23,422</u>	<u>\$ 22,039</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, 2016

	Special Revenue Fund		
	School Bus 27178	NM Grown Fruits and Vegetables 27183	Hard to Staff STEM 27195
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	0	2,358
Inventory	0	0	0
Restricted Cash	0	0	0
<b>Total Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,358</b>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	0	2,358
<b>Total Liabilities</b>	<b>0</b>	<b>0</b>	<b>2,358</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
<b>Total Deferred Inflows of Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Unassigned	0	0	0
<b>Total Fund Balances</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,358</b>

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, 2016

	<u>Special Revenue Fund</u>		<u>Capital Projects Fund</u>
	<u>Grads Plus 28203</u>	<u>Farm to Table 29102</u>	<u>Bond Building 31100</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Property Taxes	0	0	0
Due From Grantor	0	393	0
Inventory	0	0	0
Restricted Cash	0	0	18,681
Total Assets	<u>\$ 0</u>	<u>\$ 393</u>	<u>\$ 18,681</u>
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 0	\$ 0
Accrued Salaries and Benefits	0	0	0
Interfund Balance	0	393	0
Total Liabilities	<u>0</u>	<u>393</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	18,681
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>18,681</u>
Total Liabilities and Fund Balances	<u>\$ 0</u>	<u>\$ 393</u>	<u>\$ 18,681</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, 2016

	<u>Capital Projects Fund</u>	
	<u>Senate Bill Nine 31700</u>	<u>Total</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 0	\$ 64,500
Receivables		
Property Taxes	28,542	28,542
Due From Grantor	60,416	300,017
Inventory	0	2,848
Restricted Cash	0	18,681
<b>Total Assets</b>	<b><u>\$ 88,958</u></b>	<b><u>\$ 414,588</u></b>
<b>Liabilities</b>		
Accounts Payable	\$ 467	\$ 10,089
Accrued Salaries and Benefits	0	5,022
Interfund Balance	14,538	271,952
<b>Total Liabilities</b>	<b><u>15,005</u></b>	<b><u>287,063</u></b>
<b>Deferred Inflows of Resources</b>		
Unavailable Revenue	<u>27,794</u>	<u>27,794</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>27,794</u></b>	<b><u>27,794</u></b>
<b>Fund Balances</b>		
Nonspendable-Inventory	0	2,848
Restricted for:		
Special Revenue	0	53,168
Capital Projects	46,159	64,840
Unassigned	0	(21,125)
<b>Total Fund Balances</b>	<b><u>46,159</u></b>	<b><u>99,731</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 61,164</u></b>	<b><u>\$ 386,794</u></b>

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, 2016

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA B Entitlement 24106
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	13,270	25,728	0
State & Local Grants	0	0	0
Federal Grants	215,763	0	94,770
Other	0	0	0
Total Revenues	<u>229,033</u>	<u>25,728</u>	<u>94,770</u>
<b>Expenditures</b>			
Current			
Instruction	0	19,023	58,352
Support Services			
Students	0	0	36,418
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Student Transportation	0	0	0
Operation of Plant	0	0	0
Food Service Operations	265,799	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>265,799</u>	<u>19,023</u>	<u>94,770</u>
Excess (Deficiency) of Revenues Over Expenditures	(36,766)	6,705	0
Fund Balances at Beginning of Year	<u>45,218</u>	<u>28,251</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 8,452</u>	<u>\$ 34,956</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, 2016

	Special Revenue Fund		
	IDEA Preschool 24109	IDEA B Early Intervention 24112	Fresh Fruit and Vegetables 24118
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	10,062	15,074	7,899
Other	0	0	0
Total Revenues	<u>10,062</u>	<u>15,074</u>	<u>7,899</u>
<b>Expenditures</b>			
Current			
Instruction	10,062	15,074	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
Operation of Plant	0	0	0
Food Service Operations	0	0	7,899
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>10,062</u>	<u>15,074</u>	<u>7,899</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, 2016

	Special Revenue Fund		
	IDEA B Risk Pool 24120	IDEA B Results Plan 24132	Improving Teacher Quality 24154
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	85	20,000	34,304
Other	0	0	0
Total Revenues	<u>85</u>	<u>20,000</u>	<u>34,304</u>
<b>Expenditures</b>			
Current			
Instruction	85	20,000	32,854
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	1,450
School Administration	0	0	0
Student Transportation	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>85</u>	<u>20,000</u>	<u>34,304</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, 2016

	Special Revenue Fund		
	Johnson O'Malley 25131	Impact-Aid Special Education 25145	Impact-Aid Indian Education 25147
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	12,336	37,857	108,825
Other	0	0	0
Total Revenues	<u>12,336</u>	<u>37,857</u>	<u>108,825</u>
<b>Expenditures</b>			
Current			
Instruction	10,830	20,350	63,592
Support Services			
Students	0	25,978	34,879
Instruction	0	0	0
General Administration	612	437	3,169
School Administration	0	0	8,437
Student Transportation	0	0	60
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Community Service	894	0	1,833
Capital Outlay	0	0	0
Total Expenditures	<u>12,336</u>	<u>46,765</u>	<u>111,970</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(8,908)	(3,145)
Fund Balances at Beginning of Year	<u>0</u>	<u>8,244</u>	<u>15,753</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ (664)</u>	<u>\$ 12,608</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, 2016

	Special Revenue Fund		
	Medicaid 25153	Indian Education Formula 25184	Farm to School Planning Grant 25208
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	35,638	0	0
State & Local Grants	0	0	0
Federal Grants	0	32,357	30,429
Other	0	0	0
Total Revenues	<u>35,638</u>	<u>32,357</u>	<u>30,429</u>
<b>Expenditures</b>			
Current			
Instruction	0	32,088	16,702
Support Services			
Students	37,169	0	0
Instruction	0	0	0
General Administration	1,897	69	921
School Administration	0	0	2,875
Student Transportation	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	3,896
Community Service	0	200	0
Capital Outlay	0	0	6,035
Total Expenditures	<u>39,066</u>	<u>32,357</u>	<u>30,429</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,428)	0	0
Fund Balances at Beginning of Year	<u>(17,033)</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ (20,461)</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, 2016

	Special Revenue Fund		
	Duel Credit Instructional Materials 27103	GO Student Library 27107	NM Reads to Lead 27114
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	1,479	4,170	50,000
Federal Grants	0	0	0
Other	0	0	0
Total Revenues	<u>1,479</u>	<u>4,170</u>	<u>50,000</u>
<b>Expenditures</b>			
Current			
Instruction	1,479	0	50,000
Support Services			
Students	0	0	0
Instruction	0	4,170	0
General Administration	0	0	0
School Administration	0	0	0
Student Transportation	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>1,479</u>	<u>4,170</u>	<u>50,000</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, 2016

	Special Revenue Fund		
	Pre-K Initiative 27149	Indian Education Act 27150	Breakfast for Elementary 27155
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	58,967	18,575	577
Federal Grants	0	0	0
Other	0	0	0
Total Revenues	<u>58,967</u>	<u>18,575</u>	<u>577</u>
<b>Expenditures</b>			
Current			
Instruction	48,093	18,486	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	89	0
Student Transportation	10,874	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	577
Community Service	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>58,967</u>	<u>18,575</u>	<u>577</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, 2016

	Special Revenue Fund		
	School Bus 27178	NM Grown Fruits and Vegetables 27183	Hard to Staff STEM 27195
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	82,188	384	42,189
Federal Grants	0	0	0
Other	0	0	0
Total Revenues	<u>82,188</u>	<u>384</u>	<u>42,189</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	0	42,189
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
Operation of Plant	0	0	0
Food Service Operations	0	384	0
Community Service	0	0	0
Capital Outlay	82,188	0	0
Total Expenditures	<u>82,188</u>	<u>384</u>	<u>42,189</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, 2016

	Special Revenue Fund		Capital Projects Fund
	Grads Plus 28203	Farm to Table 29102	Bond Building 31100
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	1,491	393	0
Federal Grants	0	0	0
Other	0	0	936
Total Revenues	<u>1,491</u>	<u>393</u>	<u>936</u>
<b>Expenditures</b>			
Current			
Instruction	1,491	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
Operation of Plant	0	0	15,577
Food Service Operations	0	393	0
Community Service	0	0	0
Capital Outlay	0	0	324,090
Total Expenditures	<u>1,491</u>	<u>393</u>	<u>339,667</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(338,731)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>357,412</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,681</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, 2016

	<u>Capital Projects Fund</u>	
	Senate Bill Nine 31700	<u>Total</u>
Revenues		
Property Taxes	\$ 57,769	\$ 57,769
Fees	0	74,636
State & Local Grants	91,883	352,296
Federal Grants	0	619,761
Other	0	936
Total Revenues	<u>149,652</u>	<u>1,105,398</u>
Expenditures		
Current		
Instruction	1,144	461,894
Support Services		
Students	0	134,444
Instruction	0	4,170
General Administration	577	9,132
School Administration	0	11,401
Student Transportation	0	10,934
Operation of Plant	61,117	76,694
Food Service Operations	0	278,948
Community Service	0	2,927
Capital Outlay	25,680	437,993
Total Expenditures	<u>88,518</u>	<u>1,428,537</u>
Excess (Deficiency) of Revenues Over Expenditures	61,134	(323,139)
Fund Balances at Beginning of Year	<u>(14,975)</u>	<u>422,870</u>
Fund Balance End of Year	<u>\$ 46,159</u>	<u>\$ 99,731</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 7,000	\$ 7,000	\$ 12,458	\$ 5,458
Federal Grants	179,697	199,417	206,726	7,309
Total Revenues	<u>186,697</u>	<u>206,417</u>	<u>219,184</u>	<u>12,767</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Personnel Services	88,702	93,547	93,546	1
Employee Benefits	33,445	41,805	41,800	5
Professional & Tech Services	550	2,773	2,772	1
Purchased Property Services	1,000	4,024	2,548	1,476
Purchased Services	113,000	103,463	101,284	2,179
Supplies	0	1,587	1,586	1
Total Food Service Operations	<u>236,697</u>	<u>247,199</u>	<u>243,536</u>	<u>3,663</u>
Total Expenditures	<u>236,697</u>	<u>247,199</u>	<u>243,536</u>	<u>3,663</u>
Excess (Deficiency) of Revenues Over Expenditures	(50,000)	(40,782)	(24,352)	16,430
Cash Balance Beginning of Year	<u>40,782</u>	<u>40,782</u>	<u>40,782</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (9,218)</u>	<u>\$ 0</u>	<u>\$ 16,430</u>	<u>\$ 16,430</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (24,352)	
Net Change in Due from Grantor			(6,497)	
Net Change in Inventory			259	
Net Change in Accounts Payable			(7,265)	
Net Change in Accrued Salaries & Benefits			1,089	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (36,766)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 15,500	\$ 15,500	\$ 25,728	\$ 10,228
Total Revenues	<u>15,500</u>	<u>15,500</u>	<u>25,728</u>	<u>10,228</u>
Expenditures				
Instruction				
Professional & Tech Services	2,500	2,500	650	1,850
Purchased Services	29,000	32,251	18,373	13,878
Supplies	<u>9,000</u>	<u>9,000</u>	<u>0</u>	<u>9,000</u>
Total Instruction	<u>40,500</u>	<u>43,751</u>	<u>19,023</u>	<u>24,728</u>
Total Expenditures	<u>40,500</u>	<u>43,751</u>	<u>19,023</u>	<u>24,728</u>
Excess (Deficiency) of Revenues Over Expenditures	(25,000)	(28,251)	6,705	34,956
Cash Balance Beginning of Year	<u>28,251</u>	<u>28,251</u>	<u>28,251</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 3,251</u>	<u>\$ 0</u>	<u>\$ 34,956</u>	<u>\$ 34,956</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ <u>6,705</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>6,705</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 122,211	\$ 140,647	\$ 57,410	\$ (83,237)
Total Revenues	<u>122,211</u>	<u>140,647</u>	<u>57,410</u>	<u>(83,237)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	45,013	60,843	45,076	15,767
Employee Benefits	10,960	10,176	10,174	2
Professional & Tech Services	150	335	335	0
Purchased Services	0	643	643	0
Supplies	1,783	4,347	2,553	1,794
Total Instruction	<u>57,906</u>	<u>76,344</u>	<u>58,781</u>	<u>17,563</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	27,860	18,694	18,694	0
Employee Benefits	8,603	5,487	5,483	4
Professional & Tech Services	0	420	420	0
Purchased Services	1,500	13,446	13,446	0
Supplies	398	312	151	161
Total Students	<u>38,361</u>	<u>38,359</u>	<u>38,194</u>	<u>165</u>
Total Support Services	<u>38,361</u>	<u>38,359</u>	<u>38,194</u>	<u>165</u>
Total Expenditures	<u>96,267</u>	<u>114,703</u>	<u>96,975</u>	<u>17,728</u>
Excess (Deficiency) of Revenues Over Expenditures	25,944	25,944	(39,565)	(65,509)
Cash Balance Beginning of Year	<u>(25,944)</u>	<u>(25,944)</u>	<u>(25,944)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (65,509)</u>	<u>\$ (65,509)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (39,565)	
Net Change in Due from Grantor			37,360	
Net Change in Accounts Payable			1,936	
Net Change in Accrued Salaries & Benefits			269	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 13,176	\$ 19,558	\$ 4,357	\$ (15,201)
Total Revenues	<u>13,176</u>	<u>19,558</u>	<u>4,357</u>	<u>(15,201)</u>
Expenditures				
Instruction				
Personnel Services	5,200	9,581	6,581	3,000
Employee Benefits	5,222	6,195	2,798	3,397
Supplies	<u>302</u>	<u>1,330</u>	<u>682</u>	<u>648</u>
Total Instruction	<u>10,724</u>	<u>17,106</u>	<u>10,061</u>	<u>7,045</u>
Total Expenditures	<u>10,724</u>	<u>17,106</u>	<u>10,061</u>	<u>7,045</u>
Excess (Deficiency) of Revenues Over Expenditures	2,452	2,452	(5,704)	(8,156)
Cash Balance Beginning of Year	<u>(2,452)</u>	<u>(2,452)</u>	<u>(2,452)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,156)</u>	<u>\$ (8,156)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,704)	
Net Change in Due from Grantor			<u>5,704</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-IDEA B Early Intervention-24112

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 17,746	\$ 0	\$ (17,746)
Total Revenues	<u>0</u>	<u>17,746</u>	<u>0</u>	<u>(17,746)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	9,153	9,152	1
Employee Benefits	0	2,158	2,155	3
Professional & Tech Services	0	5,967	3,300	2,667
Supplies	0	468	467	1
Total Instruction	<u>0</u>	<u>17,746</u>	<u>15,074</u>	<u>2,672</u>
Total Expenditures	<u>0</u>	<u>17,746</u>	<u>15,074</u>	<u>2,672</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(15,074)	(15,074)
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>\$ (15,074)</u>	<u>\$ (15,074)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,074)	
Net Change in Due from Grantor			<u>15,074</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 Vegetables-24118

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 7,961	\$ 7,961	\$ 7,899	\$ (62)
Total Revenues	<u>7,961</u>	<u>7,961</u>	<u>7,899</u>	<u>(62)</u>
Expenditures				
Instruction				
Supplies	7,961	7,961	7,899	62
Total Instruction	<u>7,961</u>	<u>7,961</u>	<u>7,899</u>	<u>62</u>
Total Expenditures	<u>7,961</u>	<u>7,961</u>	<u>7,899</u>	<u>62</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 903	\$ 903	\$ 0	\$ (903)
Total Revenues	<u>903</u>	<u>903</u>	<u>0</u>	<u>(903)</u>
Expenditures				
Instruction				
Supplies	0	85	85	0
Total Instruction	<u>0</u>	<u>85</u>	<u>85</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>85</u>	<u>85</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	903	818	(85)	(903)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 903</u>	<u>\$ 818</u>	<u>\$ (85)</u>	<u>\$ (903)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (85)	
Net Change in Due from Grantor			<u>85</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-IDEA B- Results Plan-24132

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 20,000	\$ 20,000	\$ 16,668	\$ (3,332)
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>16,668</u>	<u>(3,332)</u>
Expenditures				
Instruction				
Professional & Tech Services	11,200	10,943	10,943	0
Supplies	<u>8,800</u>	<u>9,057</u>	<u>9,057</u>	<u>0</u>
Total Instruction	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(3,332)	(3,332)
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>\$ (3,332)</u>	<u>\$ (3,332)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,332)	
Net Change in Due from Grantor			<u>3,332</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 50,174	\$ 68,048	\$ 12,740	\$ (55,308)
Total Revenues	<u>50,174</u>	<u>68,048</u>	<u>12,740</u>	<u>(55,308)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	22,095	41,184	23,528	17,656
Employee Benefits	8,519	6,105	6,102	3
Professional & Tech Services	4,885	3,225	3,224	1
Total Instruction	<u>35,499</u>	<u>50,514</u>	<u>32,854</u>	<u>17,660</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	1,935	4,794	1,450	3,344
Total General Administration	<u>1,935</u>	<u>4,794</u>	<u>1,450</u>	<u>3,344</u>
Total Support Services	<u>6,820</u>	<u>4,794</u>	<u>1,450</u>	<u>3,344</u>
Total Expenditures	<u>37,434</u>	<u>55,308</u>	<u>34,304</u>	<u>21,004</u>
Excess (Deficiency) of Revenues Over Expenditures	12,740	12,740	(21,564)	(34,304)
Cash Balance Beginning of Year	<u>(12,740)</u>	<u>(12,740)</u>	<u>(12,740)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (34,304)</u>	<u>\$ (34,304)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (21,564)	
Net Change in Due from Grantor			21,564	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 18,121	\$ 19,345	\$ 13,023	\$ (6,322)
Total Revenues	<u>18,121</u>	<u>19,345</u>	<u>13,023</u>	<u>(6,322)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	5,475	6,743	6,743	0
Employee Benefits	1,324	942	942	0
Purchased Services	1,063	578	578	0
Supplies	2,000	2,989	2,989	0
Total Instruction	<u>9,862</u>	<u>11,252</u>	<u>11,252</u>	<u>0</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	332	612	612	0
Total General Administration	<u>332</u>	<u>612</u>	<u>612</u>	<u>0</u>
Total Support Services	<u>332</u>	<u>612</u>	<u>612</u>	<u>0</u>
<b>Community Services</b>				
Professional & Tech Services	380	454	454	0
Purchased Services	960	440	440	0
Supplies	0	0	0	0
Total Community Services	<u>1,340</u>	<u>894</u>	<u>894</u>	<u>0</u>
Total Expenditures	<u>11,534</u>	<u>12,758</u>	<u>12,758</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	6,587	6,587	265	(6,322)
Cash Balance Beginning of Year	<u>(6,587)</u>	<u>(6,587)</u>	<u>(6,587)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,322)</u>	<u>\$ (6,322)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 265	
Net Change in Due from Grantor			(687)	
Net Change in Accrued Salaries & Benefits			422	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 45,586	\$ 37,852	\$ 37,857	\$ 5
Total Revenues	<u>45,586</u>	<u>37,852</u>	<u>37,857</u>	<u>5</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	15,000	10,027	10,027	0
Employee Benefits	8,273	8,242	8,242	0
Professional & Tech Services	240	1,000	1,000	0
Purchased Property Services	0	833	662	171
Supplies	1,654	419	419	0
Total Instruction	<u>25,167</u>	<u>20,521</u>	<u>20,350</u>	<u>171</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	17,460	17,460	17,459	1
Employee Benefits	8,679	8,498	8,493	5
Supplies	1,000	0	0	0
Total Students	<u>27,139</u>	<u>25,958</u>	<u>25,952</u>	<u>6</u>
<b>General Administration</b>				
Professional & Tech Services	2,344	437	437	0
Total General Administration	<u>2,344</u>	<u>437</u>	<u>437</u>	<u>0</u>
Total Support Services	<u>29,483</u>	<u>26,395</u>	<u>26,389</u>	<u>6</u>
Total Expenditures	<u>54,650</u>	<u>46,916</u>	<u>46,739</u>	<u>177</u>
Excess (Deficiency) of Revenues Over Expenditures	(9,064)	(9,064)	(8,882)	182
Cash Balance Beginning of Year	<u>9,064</u>	<u>9,064</u>	<u>9,064</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 182</u>	<u>\$ 182</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,882)	
Net Change in Accrued Salaries and Benefits			(26)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,908)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 97,363	\$ 108,446	\$ 108,825	\$ 379
Total Revenues	<u>97,363</u>	<u>108,446</u>	<u>108,825</u>	<u>379</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	50,370	40,395	34,010	6,385
Employee Benefits	24,016	23,921	21,544	2,377
Professional & Tech Services	450	172	172	0
Purchased Services	785	2,366	1,509	857
Supplies	4,000	8,787	6,261	2,526
Total Instruction	<u>79,621</u>	<u>75,641</u>	<u>63,496</u>	<u>12,145</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	15,058	26,641	26,640	1
Employee Benefits	3,732	6,684	6,684	0
Professional & Tech Services	0	150	150	0
Purchased Services	1,015	683	683	0
Supplies	350	494	494	0
Total Students	<u>20,155</u>	<u>34,652</u>	<u>34,651</u>	<u>1</u>
<b>General Administration</b>				
Professional & Tech Services	5,604	3,169	3,169	0
Total General Administration	<u>5,604</u>	<u>3,169</u>	<u>3,169</u>	<u>0</u>
<b>School Administration</b>				
Personnel Services	6,498	6,627	6,627	0
Employee Benefits	498	508	507	1
Purchased Services	0	415	414	1
Supplies	0	889	889	0
Total School Administration	<u>6,996</u>	<u>8,439</u>	<u>8,437</u>	<u>2</u>
<b>Student Transportation</b>				
Supply Assets	0	60	60	0
Total Student Transportation	<u>0</u>	<u>60</u>	<u>60</u>	<u>0</u>
Total Support Services	<u>32,755</u>	<u>46,320</u>	<u>46,317</u>	<u>3</u>
<b>Community Service</b>				
Purchased Services	240	120	120	0
Supplies	500	2,118	1,713	405
Total Community Service	<u>740</u>	<u>2,238</u>	<u>1,833</u>	<u>405</u>
Total Expenditures	\$ <u>113,116</u>	\$ <u>124,199</u>	\$ <u>111,646</u>	\$ <u>12,553</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary</u>	<u>with Final</u>
			<u>Basis)</u>	<u>Budget-</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (15,753)	\$ (15,753)	\$ (2,821)	\$ 12,932
Cash Balance Beginning of Year	<u>15,753</u>	<u>15,753</u>	<u>15,753</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,932</u>	<u>\$ 12,932</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,821)	
Net Change in Accrued Salaries and Benefits			<u>(324)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (3,145)</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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 45,744	\$ 45,744	\$ 35,638	\$ (10,106)
Total Revenues	<u>45,744</u>	<u>45,744</u>	<u>35,638</u>	<u>(10,106)</u>
Expenditures				
Support Services				
Students				
Personnel Services	30,103	25,463	24,502	961
Employee Benefits	11,790	11,790	6,540	5,250
Purchased Services	141	225	225	0
Supplies	1,346	2,686	2,686	0
Supply Assets	0	3,216	3,216	0
Total Students	<u>43,380</u>	<u>43,380</u>	<u>37,169</u>	<u>6,211</u>
General Administration				
Professional & Tech Services	2,364	2,364	1,897	467
Total General Administration	<u>2,364</u>	<u>2,364</u>	<u>1,897</u>	<u>467</u>
Total Support Services	<u>45,744</u>	<u>45,744</u>	<u>39,066</u>	<u>6,678</u>
Total Expenditures	<u>45,744</u>	<u>45,744</u>	<u>39,066</u>	<u>6,678</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(3,428)	(3,428)
Cash Balance Beginning of Year	<u>(17,033)</u>	<u>(17,033)</u>	<u>(17,033)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (17,033)</u>	<u>\$ (17,033)</u>	<u>\$ (20,461)</u>	<u>\$ (3,428)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,428)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ (3,428)	

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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 32,357	\$ 32,357	\$ 19,106	\$ (13,251)
Total Revenues	<u>32,357</u>	<u>32,357</u>	<u>19,106</u>	<u>(13,251)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	23,700	23,771	23,771	0
Employee Benefits	6,316	6,203	6,203	0
Professional & Tech Services	120	360	360	0
Purchased Services	0	1,272	1,272	0
Supplies	349	482	482	0
Total Instruction	<u>30,485</u>	<u>32,088</u>	<u>32,088</u>	<u>0</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	1,672	69	69	0
Total General Administration	<u>1,672</u>	<u>69</u>	<u>69</u>	<u>0</u>
Total Support Services	<u>1,672</u>	<u>69</u>	<u>69</u>	<u>0</u>
<b>Community Services</b>				
Purchased Services	200	200	200	0
Total Community Services	<u>200</u>	<u>200</u>	<u>200</u>	<u>0</u>
Total Expenditures	<u>32,357</u>	<u>32,357</u>	<u>32,357</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(13,251)	(13,251)
Cash Balance Beginning of Year	\$ 0	\$ 0	\$ 0	\$ 0
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (13,251)</u>	<u>\$ (13,251)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (13,251)	
Net Change in Due from Grantor			13,251	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 30,429	\$ 22,693	\$ (7,736)
Total Revenues	<u>0</u>	<u>30,429</u>	<u>22,693</u>	<u>(7,736)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	5,206	5,379	5,379	0
Employee Benefits	1,227	1,253	1,253	0
Professional & Tech Services	740	2,040	2,040	0
Purchased Services	0	0	0	0
Supplies	8,300	8,030	8,030	0
Supply Assets	5,000	0	0	0
Total Instruction	<u>20,473</u>	<u>16,702</u>	<u>16,702</u>	<u>0</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	921	921	921	0
Total General Administration	<u>921</u>	<u>921</u>	<u>921</u>	<u>0</u>
<b>School Administration</b>				
Professional & Tech Services	762	2,875	2,875	0
Total School Administration	<u>762</u>	<u>2,875</u>	<u>2,875</u>	<u>0</u>
Total Support Services	<u>1,683</u>	<u>3,796</u>	<u>3,796</u>	<u>0</u>
<b>Community Services</b>				
Professional & Tech Services	1,500	3,896	3,896	0
Supplies	298	0	0	0
Fixed Assets	6,475	6,035	6,035	0
Total Community Services	<u>8,273</u>	<u>9,931</u>	<u>9,931</u>	<u>0</u>
Total Expenditures	<u>30,429</u>	<u>30,429</u>	<u>30,429</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	(30,429)	0	(7,736)	(7,736)
Cash Balance Beginning of Year	\$ 0	\$ 0	\$ 0	\$ 0
Cash Balance End of Year	<u>\$ (30,429)</u>	<u>\$ 0</u>	<u>\$ (7,736)</u>	<u>\$ (7,736)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (7,736)	
Net Change in Due from Grantor			7,736	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 1,709	\$ 1,709	\$ 0
Total Revenues	<u>0</u>	<u>1,709</u>	<u>1,709</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	1,479	1,479	0
Total Instruction	<u>0</u>	<u>1,479</u>	<u>1,479</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,479</u>	<u>1,479</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	230	230	0
Cash Balance Beginning of Year	<u>(230)</u>	<u>(230)</u>	<u>(230)</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (230)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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><u>\$ 0</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-GO Student Library-27107  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 11,085	\$ 11,113	\$ 1,140	\$ (9,973)
Total Revenues	<u>11,085</u>	<u>11,113</u>	<u>1,140</u>	<u>(9,973)</u>
Expenditures				
Support Services				
Instruction				
Supplies	9,933	9,961	4,170	5,791
Total Instruction	<u>9,933</u>	<u>9,961</u>	<u>4,170</u>	<u>5,791</u>
Total Support Services	<u>9,933</u>	<u>9,961</u>	<u>4,170</u>	<u>5,791</u>
Total Expenditures	<u>9,933</u>	<u>9,961</u>	<u>4,170</u>	<u>5,791</u>
Excess (Deficiency) of Revenues Over Expenditures	1,152	1,152	(3,030)	(4,182)
Cash Balance Beginning of Year	<u>(1,152)</u>	<u>(1,152)</u>	<u>(1,152)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,182)</u>	<u>\$ (4,182)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,030)	
Net change in Due from Grantor			<u>3,030</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-Pre K Initiative-27149  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 81,429	\$ 81,429	\$ 58,007	\$ (23,422)
Total Revenues	<u>81,429</u>	<u>81,429</u>	<u>58,007</u>	<u>(23,422)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	34,052	34,450	34,450	0
Employee Benefits	12,500	11,802	11,802	0
Professional & Tech Services	541	0	0	0
Purchased Services	0	96	96	0
Supplies	1,000	1,745	1,745	0
Total Instruction	<u>48,093</u>	<u>48,093</u>	<u>48,093</u>	<u>0</u>
<b>Support Services</b>				
<b>Student Transportation</b>				
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>58,967</u>	<u>58,967</u>	<u>58,967</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	22,462	22,462	(960)	(23,422)
Cash Balance Beginning of Year	<u>(22,462)</u>	<u>(22,462)</u>	<u>(22,462)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (23,422)</u>	<u>\$ (23,422)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (960)	
Net Change in Due from Grantor			960	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 24,715	\$ 49,715	\$ 24,715	\$ (25,000)
Total Revenues	<u>24,715</u>	<u>49,715</u>	<u>24,715</u>	<u>(25,000)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	14,096	11,639	2,457
Employee Benefits	0	3,231	2,728	503
Professional & Tech Services	0	575	575	0
Purchased Services	0	464	464	0
Supplies	0	5,024	5,024	0
Supply Assets	0	1,520	1,520	0
Total Instruction	<u>0</u>	<u>24,910</u>	<u>21,950</u>	<u>2,960</u>
<b>Support Services</b>				
<b>Student Transportation</b>				
Supplies	0	90	89	1
Total Student Transportation	<u>0</u>	<u>90</u>	<u>89</u>	<u>1</u>
Total Support Services	<u>0</u>	<u>90</u>	<u>89</u>	<u>1</u>
Total Expenditures	<u>0</u>	<u>25,000</u>	<u>22,039</u>	<u>2,961</u>
Excess (Deficiency) of Revenues Over Expenditures	24,715	24,715	2,676	(22,039)
Cash Balance Beginning of Year	<u>(24,715)</u>	<u>(24,715)</u>	<u>(24,715)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,039)</u>	<u>\$ (22,039)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 2,676	
Net Change in Due from Grantor			(6,140)	
Net Change in Account Payables			1,254	
Net Change in Accrued Salaries & Benefits			2,210	
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, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State & Local Grants	\$ 16	\$ 665	\$ 577	\$ (88)
Total Revenues	<u>16</u>	<u>665</u>	<u>577</u>	<u>(88)</u>
Expenditures				
Food Service				
Supplies	16	665	577	88
Total Food Service	<u>16</u>	<u>665</u>	<u>577</u>	<u>88</u>
Total Expenditures	<u>16</u>	<u>665</u>	<u>577</u>	<u>88</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-School Bus-27178  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 82,188	\$ 82,188	\$ 0
Total Revenues	<u>0</u>	<u>82,188</u>	<u>82,188</u>	<u>0</u>
<b>Expenditures</b>				
<b>Support Services</b>				
Student Transportation				
Fixed Assets	0	82,188	82,188	0
Total Student Transportation	<u>0</u>	<u>82,188</u>	<u>82,188</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>82,188</u>	<u>82,188</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>82,188</u>	<u>82,188</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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-NM Grown Fruits and Vegetables-27183  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 487	\$ 487	\$ 487	\$ 0
Total Revenues	<u>487</u>	<u>487</u>	<u>487</u>	<u>0</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Supplies	384	384	384	0
Total Food Services Operations	<u>384</u>	<u>384</u>	<u>384</u>	<u>0</u>
Total Expenditures	<u>384</u>	<u>384</u>	<u>384</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	103	103	103	0
Cash Balance Beginning of Year	<u>(103)</u>	<u>(103)</u>	<u>(103)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 103	
Net Change in Due from Grantor			<u>(103)</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-Hard to Staff-STEM-27195

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 48,600	\$ 39,832	\$ (8,768)
Total Revenues	<u>0</u>	<u>48,600</u>	<u>39,832</u>	<u>(8,768)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	40,000	34,201	5,799
Employee Benefits	0	8,600	7,989	611
Total Instruction	<u>0</u>	<u>48,600</u>	<u>42,190</u>	<u>6,410</u>
Total Expenditures	<u>0</u>	<u>48,600</u>	<u>42,190</u>	<u>6,410</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(2,358)	(2,358)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,358)</u>	<u>\$ (2,358)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (2,358)	
Net Change in Due from Grantor			<u>2,358</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-Grads Plus-28203  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 16,000	\$ 1,491	\$ (14,509)
Total Revenues	<u>0</u>	<u>16,000</u>	<u>1,491</u>	<u>(14,509)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	12,356	885	11,471
Employee Benefits	0	3,050	208	2,842
Supplies	0	594	398	196
Total Instruction	<u>0</u>	<u>16,000</u>	<u>1,491</u>	<u>14,509</u>
Total Expenditures	<u>0</u>	<u>16,000</u>	<u>1,491</u>	<u>14,509</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>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
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-Farm to Table-29102

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 1,500	\$ 41,500	\$ 1,500	\$ (40,000)
Total Revenues	<u>1,500</u>	<u>41,500</u>	<u>1,500</u>	<u>(40,000)</u>
<b>Expenditures</b>				
<b>Food Service</b>				
Personnel Services	0	10,175	0	10,175
Employee Benefits	0	825	0	825
Purchased Services	0	10,000	102	9,898
Supplies	0	19,000	291	18,709
Total Food Service	<u>0</u>	<u>40,000</u>	<u>393</u>	<u>39,607</u>
Total Expenditures	<u>0</u>	<u>40,000</u>	<u>393</u>	<u>39,607</u>
Excess (Deficiency) of Revenues Over Expenditures	1,500	1,500	1,107	(393)
Cash Balance Beginning of Year	<u>(1,500)</u>	<u>(1,500)</u>	<u>(1,500)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (393)</u>	<u>\$ (393)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 1,107	
Net Change in Due from Grantor			<u>(1,107)</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**

Capital Projects Fund-Bond Building-31100

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 0	\$ 0	\$ 936	\$ 936
Total Revenues	<u>0</u>	<u>0</u>	<u>936</u>	<u>936</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Professional & Tech Services	0	31,738	31,738	0
Construction Services	0	332,078	292,352	39,726
Fixed Assets	380,141	16,325	0	16,325
Supply Assets	0	0	16,324	(16,324)
Total Capital Outlay	<u>380,141</u>	<u>380,141</u>	<u>340,414</u>	<u>39,727</u>
Total Expenditures	<u>380,141</u>	<u>380,141</u>	<u>340,414</u>	<u>39,727</u>
Excess (Deficiency) of Revenues Over Expenditures	(380,141)	(380,141)	(339,478)	40,663
Cash Balance Beginning of Year	<u>358,159</u>	<u>358,159</u>	<u>358,159</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (21,982)</u>	<u>\$ (21,982)</u>	<u>\$ 18,681</u>	<u>\$ 40,663</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures			\$ (339,478)	
Net Change in Accounts Payable			747	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (338,731)</u>	

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

State of New Mexico

**Magdalena Municipal Schools**

Capital Projects Fund-Senate Bill Nine-31700

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 59,753	\$ 59,753	\$ 57,720	\$ (2,033)
State Grant	90,006	119,240	99,657	(19,583)
Total Revenues	<u>149,759</u>	<u>178,993</u>	<u>157,377</u>	<u>(21,616)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	600	700	577	123
Total General Administration	<u>600</u>	<u>700</u>	<u>577</u>	<u>123</u>
Total Support Services	<u>600</u>	<u>700</u>	<u>577</u>	<u>123</u>
<b>Capital Outlay</b>				
Professional & Tech Services	59,153	151,469	61,842	89,627
Buses	0	0	10,000	(10,000)
Fixed Assets	0	26,824	15,680	11,144
Supply Assets	0	0	1,145	(1,145)
Total Capital Outlay	<u>59,153</u>	<u>178,293</u>	<u>88,667</u>	<u>89,626</u>
Total Expenditures	<u>59,753</u>	<u>178,993</u>	<u>89,244</u>	<u>89,749</u>
Excess (Deficiency) of Revenues Over Expenditures	90,006	0	68,133	68,133
Cash Balance Beginning of Year	<u>(82,671)</u>	<u>(82,671)</u>	<u>(82,671)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 7,335</u>	<u>\$ (82,671)</u>	<u>\$ (14,538)</u>	<u>\$ 68,133</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures			\$ 68,133	
Net Change in Taxes Receivable			1,629	
Net Change in Due from Grantor			(7,773)	
Net Change in Accounts Payable			725	
Net Change in Unavailable Revenue			(1,580)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 61,134</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  
For the Year Ended June 30, 2016

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

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.10867%	0.11069%
District's proportionate share of the net pension liability	\$ 6,200,409	\$ 7,169,686
District's covered-employee payroll	\$ 2,318,590	\$ 3,022,192
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	267.42%	237.23%
Plan fiduciary net position as a percentage of the total pension	66.54%	63.97%

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

**Schedule of District's Contributions**

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 309,554	\$ 499,157
Contributions in relation to the contractually required contribution	309,554	437,350
Contribution deficiency (excess)	0	61,807
District's covered-employee payroll	2,318,590	3,022,192
Contributions as a percentage of covered-employee payroll	13.35%	14.47%

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

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

**Changes of Benefit Terms**

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

**Changes of assumptions.**

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

1. Fiscal year 2015 valuation assumptions that changed based on this study:
  - a. Lower wage inflation from 4.25% to 3.75%
  - b. Minor changes to demographic assumptions
  - c. Lower population growth from .50% to zero by removing population growth assumption for
  - d. Updated the mortality tables to incorporate generational improvements
  
2. Assumptions that were not changed:
  - a. Investment return will remain at 7.75%
  - b. Inflation will remain at 3.00%
  - c. COLA assumption of 2.00% per year
  - d. Retain net 4.75% real return assumption
  - e. Maintain current payroll growth assumption of 3.50%
  - f. Maintained experience-based rates for members who joined NMERB by June 30, 2010

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



## Other Supplemental Information

**Fiduciary Fund**

**Activity Trust Fund**

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

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

	Balance 6/30/15	Additions	Deductions	Balance 6/30/16
<b>Assets</b>				
9000 Administration	\$ 155	\$ 9,919	\$ 9,076	\$ 998
9001 Yearbook	2,164	2,400	2,250	2,314
9002 Elementary	1,900	827	2,217	510
9003 FFA	1,491	5,336	6,827	0
9004 Football	165	1,875	581	1,459
9005 Library	2,994	1,553	226	4,321
9006 Flower Fund	299	0	65	234
9007 National Honor Society	23	0	0	23
9008 Native American Club-High School	66	0	0	66
9009 Native American Club-Middle School	837	0	0	837
9010 Native American Club-Elementary	146	171	81	236
9011 SPED	100	0	100	0
9012 Dance Team	0	380	0	380
9013 Volleyball	2,995	6,846	6,737	3,103
9015 High School Student Council	0	813	148	665
9016 Class of 2020	58	140	0	198
9017 Concessions	3,448	43,846	35,476	11,818
9018 Boys Basketball	1,188	7,453	8,582	58
9019 Class of 2016	1,614	1,417	3,031	0
9020 Class of 2017	1,134	2,352	1,619	1,867
9021 Class of 2018	589	4,113	3,283	1,419
9022 Class of 2019	203	788	630	360
9023 Parent Advisory Council	1,098	3,401	2,906	1,592
9024 Class of 2012	0	1,145	0	1,145
9025 MESA	87	150	(0)	237
9026 MMS Scholarship	2,097	1,570	800	2,867
9027 Girls Basketball	3,341	499	2,508	1,331
9028 Renaissance Program-Elementary	3,273	5,590	4,287	4,576
9029 Renaissance Program-High School	1,373	1,356	310	2,419
9030 Educators Scholarship	2,760	3,010	2,800	2,970
9032 Clint Benjamin Memorial	1,013	750	1,000	763
9033 Robo Club	200	1,459	1,556	103
9034 Cheerleaders	792	1,038	270	1,560
9035 High School Account	2,032	792	500	2,324
9036 Auto Shop	21,660	45,993	52,658	14,995
9037 Board of Education Scholarship	2,048	828	0	2,876
9040 Incentives	916	0	0	916
9042 SAP	659	0	0	659
9043 Rodeo Club	0	1,109	1,109	0
9061 Embroidery Class	\$ 289	0	289	\$ 0

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

	Balance 6/30/15	Additions	Deductions	Balance 6/30/16
9064 Auto Shop Scholarship	\$ 8,209	5,189	0	\$ 13,398
9066 PBS	1,142	444	920	666
9067 Mid/High Science Club	0	1,768	1,596	172
9068 Letterman Club	512	0	0	512
9069 Spanish Club	1,299	0	198	1,101
9070 Class of 2015	73	0	73	0
9071 Kindergarten	95	3	98	0
9072 Rocket Club	507	1,291	1,641	156
9073 Baseball	2,179	5,296	5,696	1,778
9074 Box Tops for Education	1,624	419	66	1,977
9075 NRAO Science Donation	448	0	448	0
9076 Track	330	6,173	4,230	2,273
9078 Class of 2017	747	3,314	3,281	780
9098 District 3-AA	0	17,945	10,585	7,360
9099 Gaming Account	151	5,109	5,117	143
Total Assets	<u>\$ 82,520</u>	<u>\$ 205,868</u>	<u>\$ 185,874</u>	<u>\$ 102,515</u>
 Liabilities				
Deposits Held for Others	<u>\$ 82,520</u>	<u>\$ 205,868</u>	<u>\$ 185,874</u>	<u>\$ 102,515</u>
Total Liabilities	<u>\$ 82,520</u>	<u>\$ 205,868</u>	<u>\$ 185,874</u>	<u>\$ 102,515</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, 2016

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		Beginning Cash 6/30/15	Revenue	Expenditures	Ending Cash 6/30/16
Operational	11000	\$ 437,585	\$ 4,333,420	\$ 4,185,557	\$ 585,448
Teacherage	12000	1,746	0	1,259	487
Transportation	13000	19	270,795	270,805	9
Instructional Materials	14000	1,526	24,892	12,454	13,964
Food Services	21000	40,782	219,184	243,536	16,430
Athletics	22000	28,251	25,728	19,023	34,956
Federal Flow through	24000	(341,534)	592,966	581,986	(330,554)
Federal Direct	25000	1,198	411,529	569,276	(156,549)
State Flow through	27000	(60,645)	239,848	261,993	(82,790)
State Direct	28000	0	1,491	1,491	0
State & Local Grants	29000	(1,500)	1,500	393	(393)
Bond Building	31100	358,159	936	340,414	18,681
Senate Bill Nine	31700	(82,671)	68,133	0	(14,538)
Debt Service	41000	98,356	173,263	233,827	37,792
Agency Funds	23,000	82,520	205,868	185,874	102,514
		<u>\$ 563,792</u>	<u>\$ 6,569,553</u>	<u>\$ 6,907,888</u>	<u>\$ 225,457</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, 2016

<i>Agency Number</i>	<i>Agency Name</i>	<i>Agency Type</i>	<i>RFB#/RFP# (If applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
7056	Magdalena Municipal Schools	Regional Educational Cooperatives											

There were no vendors that met the reporting criteria for this entity for the fiscal year ending June 30, 2016.

## **Federal Compliance**

State of New Mexico  
**Magdalena Municipal Schools**  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2016

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
School Breakfast Program	10.553	21000	\$ 63,163
National School Lunch Program	10.555	21000	136,255
Fresh Fruits and Vegetables	10.582	24118	7,899
			<u>207,317</u>
Pass-through State Department of Human Services:			
Supplemental Nutrition Assistance Program	10.551	21000	(1) 16,345
Direct Program			
Farm to School Planning Grant	10.575	25208	30,429
Rural Development, Forestry, and Communities	10.672	11000	48,355
Total U. S. Department of Agriculture			<u>302,446</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA B Entitlement	84.027	24106	94,771
IDEA B Early Intervention	84.027	24112	15,074
IDEA B Risk Pool	84.027	24120	85
IDEA B Results Plan	84.027	24132	20,000
IDEA Preschool	84.173	24109	10,062
			<u>139,992</u>
Title I			
Improving Teacher Quality	84.010	24101	399,211
	84.367	24154	34,304
Direct Program			
Impact Aid	84.041	11000	442,860
Impact Aid-Special Education	84.041	25145	37,857
Impact Aid-Indian Education	84.041	25147	108,825
Indian Education Formula Grant	84.060	25184	32,357
Indian Education-Special Projects	84.235	25194	295,309
Total U. S. Department of Education			<u>1,490,715</u>
<u>U. S. Department of Interior</u>			
Pass-through State Public Education Department:			
Johnson O'Malley	15.130	25131	12,336
Total Federal Assistance			\$ <u>1,805,497</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, 2016

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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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated September 21, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies. 2014-003, 2014-004, 2014-006, 2016-001, and 2016-002.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 2014-003, 2014-004, 2014-006, 2016-001, and 2016-002.

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 21, 2016

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

Independent Auditor's Report

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

Mr. Keller and Members of the Board

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements 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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

*De'Ann Willoughby CPA PC*

Clovis, New Mexico  
September 21, 2016

**A. Summary of Audit Results**

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

\* Material weaknesses identified? No

\* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

\* Material weaknesses identified? No

\* Significant deficiencies identified? No

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance No

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
84.041	Impact Aid

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

Audited qualified as low risk Auditee Yes

	<b>Federal Compliance Findings</b>	
<b>Prior Year Audit Findings</b>		None
<b>Current Year Audit Findings</b>		None

	<b>Financial Statements Findings</b>	
<b>Prior Year Audit Findings</b>		<u>Status</u>
<b>2014-002</b> Expenditures Issue		Resolved
<b>2014-003</b> I-9's		Repeated & Modified
<b>2014-004</b> New Hire Reporting		Repeated & Modified
<b>2014-006</b> Cash Appropriations in Excess of Available Cash Balances		Repeated & Modified
<b>2015-001</b> Background Checks		Resolved
<b>2015-002</b> Payroll		Resolved
<b>2015-003</b> RHCA		Resolved
<b>2015-004</b> Exit Conference		Resolved

**Current Year Audit Findings**

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

During our test of 20 personnel files, we noted the

-Five I-9's were incomplete.

-Seven I-9 's were filled out incorrectly.

Management has not made progress resolving this finding.

**Criteria**

U.S. Citizenship and Immigration Services I-9 instructions and M-274 Handbook for employers. Form I-9 is used for verifying the identity and employment authorization of individuals hired for employment in the United States. All U.S. employers must ensure proper completion of Form I-9 for each individual they hire for employment in the United States.

**Effect**

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

**Cause**

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

**Recommendation**

The Human Resource employee needs to read and understand both the I-9 Instructions and the M-274 Handbook for employers as well as additional training and supervision is necessary to assure the I-9s are completed correctly.

**Response**

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

The HR employee is responsible for this finding and is in the process of reviewing all I-9s.

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

**Condition**

One out of nine new hires 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.

**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.

**Cause**

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

**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.

The Business Manager is responsible for this finding and has a procedure in place to assure the new hires are reported timely.



State of New Mexico  
**Magdalena Municipal Schools**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2016

**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 the following funds:

	Budgeted Cash	+	Cash Balance as of July 1, 2016	-	Budgeted Expenditures	=	Cash Appropriations In Excess of Available Cash
Medicaid (25153)	\$ 45,744	+	(17,033)	-	45,744	=	(17,033)
Bond Building (31100)	0	+	358,159	-	380,141	=	(21,982)
Senate Bill Nine (31700)	178,993	+	(82,671)	-	178,993	=	(82,671)

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.

**Effect**

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

**Cause**

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

**Recommendation**

BARS should be issued shortly after audited cash balances are confirmed. If estimated cash balances are more than the audited cash balances and cash was used to balance the budget, budget amendments are necessary.

**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.

The Business Manager is responsible for this finding and will amend the budgets as necessary immediately.

State of New Mexico

**Magdalena Municipal Schools**

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2016

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**2016-001 Anti-Donation Clause-Compliance and Internal Control-Significant Deficiency**

**Condition**

There are receipts for snacks meals for board meetings being paid out of the Operational Fund-11000.

**Criteria**

Article 9, Section 14 of the constitution of New Mexico. The provision that prohibits the school district from making direct grants of aid to entities or persons, despite the need or value of the project, unless the strict requirements of the provision are satisfied.

**Effect**

Funds should be used to educate students.

**Cause**

Management was not aware that food for board meeting could not be paid from the operational

**Recommendation**

Stop paying for food for the board meetings.

**Response**

We have stopped paying for food for the board meetings.

The Procurement Officer is responsible for this finding and it is resolved.

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

**Condition**

Students were not always given receipts. Not all receipt books have the District's name preprinted on them. Not all receipt books are three part with one copy turned into the central office with the money collected. There was skipped receipts in one book that were not voided.

**Criteria**

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

**Effect**

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

**Cause**

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

**Recommendation**

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

**Response**

Receipt books, with the District's name preprinted on them, have been ordered and will be issued to every sponsor, coach, teacher, etc. that handles money. Receipts will be issued to anyone that turns in money and those receipts will be attached to deposit tickets that are submitted to the treasurer. All receipt books will be three part and we will ensure that no receipt is skipped in the future.

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

**Financial Statement Preparation**

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

**Exit Conference**

An exit conference was held on September 21, 2016. Those present were Vannetta R. Perry-Superintendent, Keri James-Federal/State Programs Coordinator, Fletcher Tigner-Audit Committee Member, Gail Armstrong-Board Member, Dorothy Zamora-Business Manager and De'Aun Willoughby, CPA.