

Timothy M. Keller  
State Auditor



Sanjay Bhakta, CPA, CGFM, CFE, CGMA  
Deputy State Auditor

**State of New Mexico**  
**OFFICE OF THE STATE AUDITOR**

VIA EMAIL AND U.S. MAIL

February 8, 2017

Angelo Vasquez, Chairman  
Mora Board of Education  
Mora Independent Schools  
PO Box 179  
Mora, New Mexico 87732-0179

Dear Board Members:

The Office of the State Auditor (OSA) has released the Fiscal Year 2016 financial and compliance audit for Mora Independent Schools (District).

The audit report contains 10 findings, including various weaknesses, deficiencies and areas of noncompliance with respect to procurement, adherence to District policies, internal controls (payroll, cash handling, inventory), budget expenditures, and personnel. The problems identified in the report expose the District to potential legal liability and create an environment susceptible to errors, fraud and abuse, which may divert the District's limited resources away from the students.

The independent accounting firm which performed the audit, De'Aun Willoughby CPA, PC, identified the District's recent leadership challenges as a key cause of many of these problems. In order to safeguard public funds and ensure compliance with applicable laws, regulations and policies, the District must take prompt steps to address these shortfalls and maintain appropriate management oversight moving forward.

In response to the report's findings, we appreciate management's acknowledgement of the issues raised and need for corrective actions. Our office stands ready to assist in any way possible.

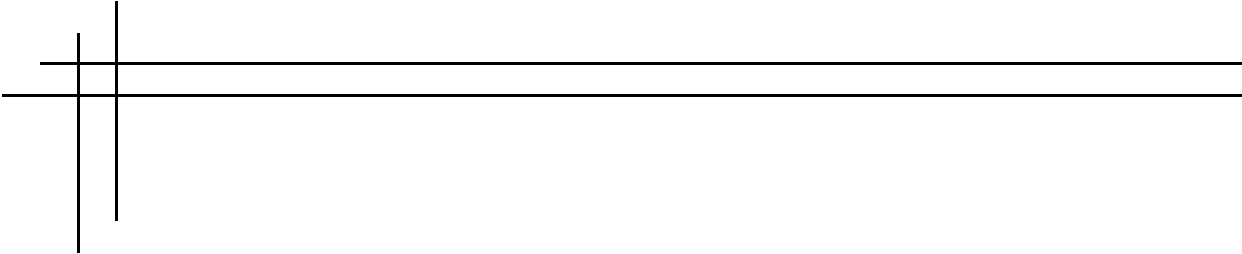
Sincerely,

A handwritten signature in cursive script that reads "Timothy M. Keller".

Timothy M. Keller  
State Auditor

cc: Tranquilino Hurtado, Vice Chairman  
Dennis Romero, Secretary  
George Trujillo, Board Member  
Joseph J.D. Weathers, Board Member  
Superintendent Ella Arellano

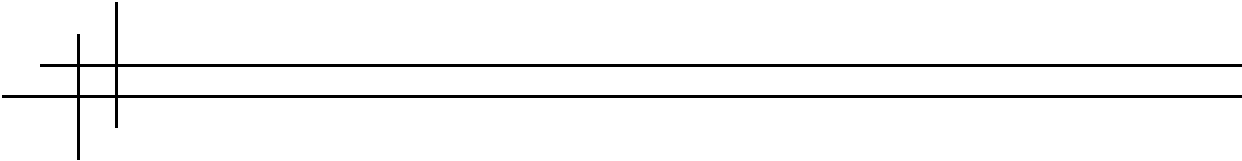
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**Phone (505) 476-3800 \* Fax (505) 827-3512**  
**www.osanm.org \* 1-866-OSA-FRAUD**



State of New Mexico  
**Mora Independent Schools**

**Annual Financial Report**  
June 30, 2016

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



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State of New Mexico  
**Mora Independent Schools**  
Official Roster  
June 30, 2016

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**Board of Education**

George A. Trujillo	Chairman
Tranquilino Hurtado	Vice-Chairman
Dennis Romero	Secretary
Angelo A. Vasquez	Member
Joseph Weathers	Member

**School Officials**

LeAnne Salazar	Superintendent
Miguel J. Martinez	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 Mora Independent 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 Mora Independent Schools (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects, debt service and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

### Opinions

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

### Other Matters

#### *Required Supplementary Information*

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

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

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the District's financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The Schedule 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 October 12, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

 De'Ann Willoughby CPA PC

Clovis, New Mexico  
October 12, 2016

## **Financial Section**

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

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and Cash Equivalents	\$ 1,958,794
Taxes Receivable	127,452
Due from Grantor	343,045
Inventory	10,578
Total Current Assets	2,439,869
Noncurrent Assets	
Capital Assets	20,260,650
Less: Accumulated Depreciation	(7,961,348)
Total Noncurrent Assets	12,299,302
Total Assets	14,739,171
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	
Changes of Assumptions	292,765
Changes in Proportion	136,619
Contributions Subsequent to Measurement Date	516,600
Total Deferred Outflows of Resources	945,984
Liabilities	
Current Liabilities	
Accounts Payable	24,792
Accrued Interest	16,556
Compensated Absences	32,727
Current Portion Due of Long-Term Debt	325,000
Total Current Liabilities	399,075
Noncurrent Liabilities	
Bonds	475,000
Pension Liability	8,511,776
Total Noncurrent Liabilities	8,986,776
Total Liabilities	9,385,851
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	
Actuarial Experience	157,800
Investment Experience	38,313
Changes in Proportion	385,954
Total Deferred Inflows of Resources	582,067
Net Position	
Net Investment in Capital Assets	11,499,302
Restricted for:	
Capital Projects	492,521
Debt Service	22,457
Unrestricted	(6,297,043)
Total Net Position	\$ 5,717,237

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

State of New Mexico  
**Mora Independent 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	\$ 4,062,778	78,093	\$ 1,121,942	\$ 0	\$ (2,862,743)
Support Services					
Students	531,974	40,958	53,691	0	(437,325)
Instruction	629,807	0	580,349	0	(49,458)
General Administration	363,198	55,632	68,047	0	(239,519)
School Administration	357,397	0	8,849	0	(348,548)
Central Services	141,174	0	0	0	(141,174)
Operation of Plant	937,791	8,376	80,541	0	(848,874)
Student Transportation	563,541	0	447,705	0	(115,836)
Other	4,715	0	0	0	(4,715)
Food Services Operations	382,915	0	405,131	0	22,216
Interest Expense	33,113	0	0	0	(33,113)
<b>Total Governmental Activities</b>	<b>\$ 8,008,403</b>	<b>\$ 183,059</b>	<b>\$ 2,766,255</b>	<b>\$ 0</b>	<b>(5,059,089)</b>

**General Revenues**

<b>Taxes</b>		
Property Taxes, Levied for General Purposes		26,867
Property Taxes, Levied for Capital Projects		178,098
Property Taxes, Levied for Debt Service		360,850
Federal and State aid not restricted to specific purpose		
General		4,386,342
Capital		48,583
Interest and investment earnings		3,819
Miscellaneous		32,653
Subtotal, General Revenues		<u>5,037,212</u>
Change in Net Position		(21,877)
Net Position - Beginning		<u>5,739,114</u>
Net Position - Ending		<u><u>\$ 5,717,237</u></u>

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

State of New Mexico  
**Mora Independent Schools**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2016

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<b>Assets</b>			
Cash and Cash Equivalents	\$ 856,266	\$ 1	\$ 25,013
Receivables			
Taxes	5,791	0	0
Due From Grantor	0	0	0
Interfund Balance	338,743	0	0
Inventory	0	0	0
Total Assets	<u>\$ 1,200,800</u>	<u>\$ 1</u>	<u>\$ 25,013</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 13,075	\$ 4,836	\$ 2,061
Interfund Balance	0	0	0
Current Amount Due:			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>13,075</u>	<u>4,836</u>	<u>2,061</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	<u>4,608</u>	<u>0</u>	<u>0</u>
Total Deferred Inflows of Resources	<u>4,608</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	<u>1,183,117</u>	<u>(4,835)</u>	<u>22,952</u>
Total Fund Balances	<u>1,183,117</u>	<u>(4,835)</u>	<u>22,952</u>
 Total Liabilities, Deferred Inflow of Resources and Fund Balances	 <u>\$ 1,200,800</u>	 <u>\$ 1</u>	 <u>\$ 25,013</u>

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

State of New Mexico  
**Mora Independent Schools**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2016

	<u>Special Revenue</u>		<u>Capital Projects</u>
	<u>Head Start 25127</u>	<u>Gear Up NM Initiative 25205</u>	<u>Senate Bill Nine 31700</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 445,464
Receivables			
Taxes	0	0	38,013
Due From Grantor	39,717	107,297	0
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 39,717</u>	<u>\$ 107,297</u>	<u>\$ 483,477</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 4,302	\$ 0	\$ 0
Interfund Balance	35,415	107,297	0
Current Amount Due:			
Principal	0	0	0
Interest	0	0	0
Total Liabilities	<u>39,717</u>	<u>107,297</u>	<u>0</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	<u>0</u>	<u>0</u>	<u>21,910</u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>21,910</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	461,567
Debt Service	0	0	0
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>
Total Fund Balances	<u>0</u>	<u>0</u>	<u>461,567</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 39,717</u>	<u>\$ 107,297</u>	<u>\$ 483,477</u>

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

State of New Mexico  
**Mora Independent Schools**  
 Governmental Funds  
 Balance Sheet  
 June 30, 2016

	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and Cash Equivalents	\$ 356,389	\$ 275,661	\$ 1,958,794
Receivables			
Taxes	83,648	0	127,452
Due From Grantor	0	196,031	343,045
Interfund Balance	0	0	338,743
Inventory	0	10,578	10,578
Total Assets	<u>\$ 440,037</u>	<u>\$ 482,270</u>	<u>\$ 2,778,612</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	\$ 518	\$ 24,792
Interfund Balance	0	196,031	338,743
Current Amount Due:			
Principal	325,000	0	325,000
Interest	16,556	0	16,556
Total Liabilities	<u>341,556</u>	<u>196,549</u>	<u>705,091</u>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenue	76,024	0	102,542
Total Deferred Inflows of Resources	<u>76,024</u>	<u>0</u>	<u>102,542</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	10,578	10,578
Restricted for:			
Special Revenue Funds	0	244,189	244,189
Capital Improvements	0	30,954	492,521
Debt Service	22,457	0	22,457
Unassigned	0	0	1,201,234
Total Fund Balances	<u>22,457</u>	<u>285,721</u>	<u>1,970,979</u>
 Total Liabilities, Deferred Inflow of Resources and Fund Balances	 <u>\$ 440,037</u>	 <u>\$ 482,270</u>	 <u>\$ 2,778,612</u>

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

State of New Mexico  
**Mora Independent 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 \$ 1,970,979

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. 102,542

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

Capital Assets	\$ 20,260,650	
Accumulated Depreciation	<u>(7,961,348)</u>	12,299,302

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	945,984	
Deferred Inflows Related to Pensions	<u>(582,067)</u>	363,917

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 :

Compensated Absences	(32,727)	
Bonds	(475,000)	
Pension Liability	<u>(8,511,776)</u>	<u>(9,019,503)</u>

Total Net Position - Governmental Activities \$ 5,717,237

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



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

	General Fund		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
<b>Revenues</b>			
Property Taxes	\$ 26,709	\$ 0	\$ 0
Interest Income	3,819	0	0
Fees	55,632	0	0
State & Local Grants	4,336,822	412,928	30,667
Federal Grants	49,520	0	0
Miscellaneous	32,653	0	0
<b>Total Revenues</b>	<b>4,505,155</b>	<b>412,928</b>	<b>30,667</b>
<b>Expenditures</b>			
Current			
Instruction	2,357,123	0	32,089
Support Services			
Students	381,254	0	0
Instruction	45,632	0	0
General Administration	276,543	0	0
School Administration	350,484	0	0
Central Services	121,606	0	0
Operation of Plant	773,608	0	0
Student Transportation	0	484,285	0
Other	4,715	0	0
Food Service Operations	0	0	0
Capital Outlay	27,745	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>4,338,710</b>	<b>484,285</b>	<b>32,089</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>166,445</b>	<b>(71,357)</b>	<b>(1,422)</b>
<b>Fund Balances at Beginning of Year</b>	<b>1,016,672</b>	<b>66,522</b>	<b>24,374</b>
<b>Fund Balance End of Year</b>	<b>\$ 1,183,117</b>	<b>\$ (4,835)</b>	<b>\$ 22,952</b>

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

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

	Special Revenue		Capital Projects
	Head Start 25127	Gear Up NM Initiative 25205	Senate Bill Nine 31700
<b>Revenues</b>			
Property Taxes	\$ 0	\$ 0	\$ 184,793
Interest Income	0	0	0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	1,246,746	232,363	0
Miscellaneous	0	0	0
<b>Total Revenues</b>	<b>1,246,746</b>	<b>232,363</b>	<b>184,793</b>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	547,284	130,474	57,491
Support Services			
Students	1,374	12,939	9,513
Instruction	479,684	85,806	0
General Administration	54,168	3,144	1,762
School Administration	0	0	0
Central Services	0	0	17,052
Operation of Plant	80,541	0	57,448
Student Transportation	34,777	0	0
Other	0	0	0
Food Service Operations	335	0	0
Capital Outlay	48,583	0	102,401
Debt Service			
Principal	0	0	0
Interest	0	0	0
<b>Total Expenditures</b>	<b>1,246,746</b>	<b>232,363</b>	<b>245,667</b>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(60,874)
Fund Balances at Beginning of Year	0	0	522,441
Fund Balance End of Year	\$ 0	\$ 0	\$ 461,567

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

State of New Mexico  
**Mora Independent 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	\$ 353,133	\$ 0	\$ 564,635
Interest Income	0	0	3,819
Fees	0	127,427	183,059
State & Local Grants	0	102,559	4,882,976
Federal Grants	0	789,176	2,317,805
Miscellaneous	0	0	32,653
Total Revenues	<u>353,133</u>	<u>1,019,162</u>	<u>7,984,947</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	467,837	3,592,298
<b>Support Services</b>			
Students	0	111,237	516,317
Instruction	0	14,859	625,981
General Administration	3,622	10,735	349,974
School Administration	0	8,849	359,333
Central Services	0	0	138,658
Operation of Plant	0	0	911,597
Student Transportation	0	0	519,062
Other	0	0	4,715
Food Service Operations	0	365,654	365,989
Capital Outlay	0	0	178,729
<b>Debt Service</b>			
Principal	325,000	0	325,000
Interest	33,113	0	33,113
Total Expenditures	<u>361,735</u>	<u>979,171</u>	<u>7,920,766</u>
Excess (Deficiency) of Revenues Over Expenditures	(8,602)	39,991	64,181
Fund Balances at Beginning of Year	<u>31,059</u>	<u>245,730</u>	<u>1,906,798</u>
Fund Balance End of Year	<u>\$ 22,457</u>	<u>\$ 285,721</u>	<u>\$ 1,970,979</u>

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

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

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Excess (Deficiency) of Revenues Over Expenditures \$ 64,181

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	\$ (101,362)	
Property Taxes Receivable, June 30, 2016	<u>102,542</u>	1,180

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	(617,151)	
Capital Outlays	<u>178,729</u>	(438,422)

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

325,000

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

Compensated Absences, June 30, 2015	30,732	
Compensated Absences, June 30, 2016	<u>(32,727)</u>	(1,995)

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	516,600	
Pension Expense	<u>(488,421)</u>	<u>28,179</u>

Changes in Net Position of Governmental Activities		\$ <u><u>(21,877)</u></u>
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The notes to the financial statements are an integral part of this statement.

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 26,290	\$ 26,290	\$ 26,493	\$ 203
Interest Income	2,488	2,488	3,819	1,331
Fees	52,200	52,200	55,632	3,432
State Grant	4,377,824	4,320,600	4,336,822	16,222
Federal Grant	0	45,224	49,520	4,296
Miscellaneous	0	26,460	32,653	6,193
Total Revenues	<u>4,458,802</u>	<u>4,473,262</u>	<u>4,504,939</u>	<u>31,677</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	1,772,475	1,772,475	1,655,371	117,104
Employee Benefits	734,599	730,179	606,821	123,358
Professional & Tech Services	7,600	7,600	8,387	(787)
Purchased Services	21,000	29,300	25,695	3,605
Supplies	48,000	54,520	47,933	6,587
Supply Assets	75,000	150,000	16,211	133,789
Total Instruction	<u>2,658,674</u>	<u>2,744,074</u>	<u>2,360,418</u>	<u>383,656</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	225,611	230,611	186,162	44,449
Employee Benefits	97,228	91,097	57,567	33,530
Professional & Tech Services	142,200	172,200	130,692	41,508
Purchased Services	25,000	25,000	3,752	21,248
Supplies	2,000	23,991	3,308	20,683
Supply Assets	0	20,000	0	20,000
Total Students	<u>492,039</u>	<u>562,899</u>	<u>381,481</u>	<u>181,418</u>
<b>Instruction</b>				
Personnel Services	64,556	64,557	29,746	34,811
Employee Benefits	19,315	35,747	8,548	27,199
Supplies	7,000	15,000	7,339	7,661
Supply Assets	1,728	2,000	0	2,000
Total Instruction	<u>92,599</u>	<u>117,304</u>	<u>45,633</u>	<u>71,671</u>
<b>General Administration</b>				
Personnel Services	133,850	165,850	140,957	24,893
Employee Benefits	55,467	62,658	41,083	21,575
Professional & Tech Services	70,699	115,199	54,971	60,228
Purchased Services	24,400	48,100	39,205	8,895
Supplies	4,000	4,000	1,933	2,067
Supply Assets	10,000	2,500	0	2,500
Total General Administration	<u>\$ 298,416</u>	<u>\$ 398,307</u>	<u>\$ 278,149</u>	<u>\$ 120,158</u>

State of New Mexico

**Mora Independent Schools**

General Fund-Operational-11000

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
School Administration				
Personnel Services	\$ 246,005	\$ 253,432	\$ 256,186	\$ (2,754)
Employee Benefits	83,484	85,331	90,709	(5,378)
Professional & Tech Services	0	1,500	450	1,050
Purchased Services	1,000	1,000	2,090	(1,090)
Supplies	0	2,000	1,048	952
Supply Assets	0	7,161	0	7,161
Total School Administration	<u>330,489</u>	<u>350,424</u>	<u>350,483</u>	<u>(59)</u>
Central Services				
Personnel Services	129,853	129,853	83,428	46,425
Employee Benefits	49,858	51,753	31,733	20,020
Professional & Tech Services	1,250	3,050	800	2,250
Purchased Services	1,000	5,500	2,564	2,936
Supplies	1,000	8,000	1,923	6,077
Supply Assets	5,000	59,425	1,159	58,266
Total Central Services	<u>187,961</u>	<u>257,581</u>	<u>121,607</u>	<u>135,974</u>
Operation of Plant				
Personnel Services	171,882	171,882	159,470	12,412
Employee Benefits	136,168	132,183	110,770	21,413
Professional & Tech Services	500	2,000	1,010	990
Purchased Property Services	359,971	520,971	328,053	192,918
Purchased Services	162,566	169,058	161,360	7,698
Supplies	25,000	45,000	5,180	39,820
Fixed Assets	0	11,863	27,744	(15,881)
Total Operation of Plant	<u>856,087</u>	<u>1,052,957</u>	<u>793,587</u>	<u>259,370</u>
Other Support Service				
Other Support Services	<u>17,354</u>	<u>19,058</u>	<u>4,715</u>	<u>14,343</u>
Total Other Support Service	<u>17,354</u>	<u>19,058</u>	<u>4,715</u>	<u>14,343</u>
Total Support Services	<u>2,274,945</u>	<u>2,758,530</u>	<u>1,975,655</u>	<u>782,875</u>
Total Expenditures	<u>4,933,619</u>	<u>5,502,604</u>	<u>4,336,073</u>	<u>1,166,531</u>

State of New Mexico

**Mora Independent 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

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget- Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Excess (Deficiency) of Revenues Over Expenditures	\$ (474,817)	\$ (1,029,342)	\$ 168,866	\$ 1,198,208
Cash Balance Beginning of Year	\$ <u>1,026,143</u>	\$ <u>1,026,143</u>	\$ <u>1,026,143</u>	\$ <u>0</u>
Cash Balance End of Year	\$ <u><u>551,326</u></u>	\$ <u><u>(3,199)</u></u>	\$ <u><u>1,195,009</u></u>	\$ <u><u>1,198,208</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ 168,866	
Net Change in Taxes Receivable			375	
Net Change in Accounts Payable			(2,637)	
Net Change in Deferred Revenue			<u>(159)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u><u>166,445</u></u>	

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

State of New Mexico

**Mora Independent Schools**

General Fund-Transportation-13000

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State Grant	\$ 401,265	446,188	\$ 412,928	\$ (33,260)
Total Revenues	<u>401,265</u>	<u>446,188</u>	<u>412,928</u>	<u>(33,260)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Student Transportation</b>				
Personnel Services	47,000	39,875	39,872	3
Employee Benefits	17,605	14,424	12,620	1,804
Professional & Tech Services	200	0	0	0
Purchased Property Services	19,822	35,006	23,587	11,419
Purchased Services	316,638	354,752	368,950	(14,198)
Supplies	0	975	0	975
Supply Assets	0	1,159	1,159	0
Returned to PED	0	33,261	33,261	0
Total Student Transportation	<u>401,265</u>	<u>479,452</u>	<u>479,449</u>	<u>3</u>
Total Support Services	<u>401,265</u>	<u>479,452</u>	<u>479,449</u>	<u>3</u>
Total Expenditures	<u>401,265</u>	<u>479,452</u>	<u>479,449</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(33,264)	(66,521)	(33,257)
Cash Balance Beginning of Year	<u>66,522</u>	<u>66,522</u>	<u>66,522</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 66,522</u>	<u>\$ 33,258</u>	<u>\$ 1</u>	<u>\$ (33,257)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures			\$ (66,521)	
Net Change in Accounts Payable			(4,836)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (71,357)</u>	

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



State of New Mexico

**Mora Independent Schools**

General Fund-Instructional Materials-14000

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State Grant	\$ 24,256	\$ 24,256	\$ 30,667	\$ 6,411
Total Revenues	<u>24,256</u>	<u>24,256</u>	<u>30,667</u>	<u>6,411</u>
Expenditures				
Instruction				
Supplies	24,256	48,630	30,028	18,602
Total Instruction	<u>24,256</u>	<u>48,630</u>	<u>30,028</u>	<u>18,602</u>
Total Expenditures	<u>24,256</u>	<u>48,630</u>	<u>30,028</u>	<u>18,602</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(24,374)	639	25,013
Cash Balance Beginning of Year	<u>24,374</u>	<u>24,374</u>	<u>24,374</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 24,374</u>	<u>\$ 0</u>	<u>\$ 25,013</u>	<u>\$ 25,013</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ 639	
Net Change in Accounts Payable			<u>(2,061)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (1,422)</u>	

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

State of New Mexico

**Mora Independent Schools**

Special Revenue Fund-Head Start-25127

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 1,664	\$ 1,381,773	\$ 1,211,133	\$ (170,640)
Total Revenues	<u>1,664</u>	<u>1,381,773</u>	<u>1,211,133</u>	<u>(170,640)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	324,759	350,328	(25,569)
Employee Benefits	0	119,679	123,218	(3,539)
Professional & Tech Services	0	10,675	425	10,250
Purchased Services	0	8,537	6,170	2,367
Supplies	0	67,801	55,872	11,929
Fixed Assets	0	0	0	0
Supply Assets	0	16,017	11,017	5,000
Total Instruction	<u>0</u>	<u>547,468</u>	<u>547,030</u>	<u>438</u>
<b>Support Services</b>				
<b>Students</b>				
Professional & Tech Services	0	4,450	0	4,450
Purchased Services	0	5,736	486	5,250
Supplies	0	527	489	38
Total Students	<u>0</u>	<u>10,713</u>	<u>975</u>	<u>9,738</u>
<b>Instruction</b>				
Personnel Services	0	302,807	302,983	(176)
Employee Benefits	0	108,812	106,889	1,923
Professional & Tech Services	0	10,125	6,780	3,345
Purchased Services	0	16,890	17,827	(937)
Supplies	0	23,460	15,120	8,340
Supply Assets	0	34,140	30,140	4,000
Total Instruction	<u>0</u>	<u>496,234</u>	<u>479,739</u>	<u>16,495</u>
<b>General Administration</b>				
Professional & Tech Services	0	78,996	52,397	26,599
Purchased Property Services	0	911	1,366	(455)
Supplies	0	100	0	100
Total General Administration	<u>0</u>	<u>80,007</u>	<u>53,763</u>	<u>26,244</u>
<b>Operation of Plant</b>				
Personnel Services	0	20,074	20,939	(865)
Employee Benefits	0	6,145	6,254	(109)
Professional & Tech Services	0	3,500	0	3,500
Purchased Property Services	0	94,577	40,386	54,191
Purchased Services	0	6,000	6,000	0
Supplies	0	20,623	5,581	15,042
Supply Assets	0	2,680	180	2,500
Total Operation of Plant	<u>\$ 0</u>	<u>\$ 153,599</u>	<u>\$ 79,340</u>	<u>\$ 74,259</u>

State of New Mexico  
**Mora Independent Schools**  
Special Revenue Fund-Head Start-25127  
Statement of Revenues, Expenditures, and Changes in Cash Balance -  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Student Transportation				
Purchased Services	\$ 0	\$ 34,785	\$ 34,777	\$ 8
Supplies	0	400	0	400
Total Student Transportation	<u>0</u>	<u>35,185</u>	<u>34,777</u>	<u>408</u>
Total Support Services	<u>0</u>	<u>775,738</u>	<u>648,594</u>	<u>127,144</u>
Food Service				
Supplies	0	8,320	677	7,643
Total Food Service	<u>0</u>	<u>8,320</u>	<u>677</u>	<u>7,643</u>
Capital Outlay				
Fixed Assets	0	48,583	48,583	0
Total Food Service	<u>0</u>	<u>48,583</u>	<u>48,583</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>1,380,109</u>	<u>1,244,884</u>	<u>135,225</u>
Excess (Deficiency) of Revenues Over Expenditures	1,664	1,664	(33,751)	(35,415)
Cash Balance Beginning of Year	\$ <u>(1,664)</u>	\$ <u>(1,664)</u>	\$ <u>(1,664)</u>	\$ <u>0</u>
Cash Balance End of Year	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>	\$ <u><u>(35,415)</u></u>	\$ <u><u>(35,415)</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (33,751)	
Net Change in Due from Grantor			35,613	
Net Change in Accounts Payable			<u>(1,862)</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

**Mora Independent Schools**

Special Revenue Fund-Gear Up NM Initiative-25205

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 74,875	\$ 327,415	\$ 199,940	\$ (127,475)
Total Revenues	<u>74,875</u>	<u>327,415</u>	<u>199,940</u>	<u>(127,475)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	0	63,838	56,899	6,939
Employee Benefits	0	20,084	16,359	3,725
Professional & Tech Services	0	4,072	1,868	2,204
Purchased Services	0	50,182	47,138	3,044
Supplies	0	11,760	8,211	3,549
Total Instruction	<u>0</u>	<u>149,936</u>	<u>130,475</u>	<u>19,461</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	0	8,756	8,769	(13)
Employee Benefits	0	2,168	2,051	117
Purchased Services	0	2,579	2,119	460
Total Students	<u>0</u>	<u>13,503</u>	<u>12,939</u>	<u>564</u>
<b>Instruction</b>				
Personnel Services	0	54,015	54,015	0
Employee Benefits	0	20,645	22,400	(1,755)
Professional & Tech Services	0	1,467	1,467	0
Other Purchased Services	0	8,301	7,452	849
Supplies	0	1,452	472	980
Total Instruction	<u>0</u>	<u>85,880</u>	<u>85,806</u>	<u>74</u>
<b>General Administration</b>				
Professional & Tech Services	0	0	0	0
Other Purchased Services	0	3,221	3,142	79
Total General Administration	<u>0</u>	<u>3,221</u>	<u>3,142</u>	<u>79</u>
<b>School Administration</b>				
Professional & Tech Services	0	0	0	0
Total School Administration	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>102,604</u>	<u>101,887</u>	<u>717</u>
Total Expenditures	\$ <u>0</u>	\$ <u>252,540</u>	\$ <u>232,362</u>	\$ <u>20,178</u>

State of New Mexico

**Mora Independent Schools**

Special Revenue Fund-Gear Up NM Initiative-25205

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>Over (Under)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 74,875	\$ 74,875	\$ (32,422)	\$ (107,297)
Cash Balance Beginning of Year	<u>(74,875)</u>	<u>(74,875)</u>	<u>(74,875)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (107,297)</u>	<u>\$ (107,297)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (32,422)	
Net Change in Due from Grantor			<u>32,422</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  
**Mora Independent 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	\$ 64,191
Total Assets	<u>\$ 64,191</u>
Liabilities	
Deposits Held for Others	\$ 64,191
Total Liabilities	<u>\$ 64,191</u>

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

### **Summary of Significant Accounting Policies**

The financial statements of the Mora Independent 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)(13000)(14000).** The General Fund consist of three sub funds. The first is the Operational Fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Transportation Fund includes a state grant to provide transportation for students in the District. The Instructional Materials Fund accounts for a state grant to provide text books for students in the District.

### **Special Revenue Funds**

**Head Start (25127).** To promote school readiness by enhancing the social and cognitive development of low-income children, including children on federally recognized reservations and children of migratory farm-workers, through the provision of comprehensive health, educational, nutritional, social and other services; and to involve parents in their children's learning and to help parents make progress toward their educational, literacy and employment goals. Head Start also emphasizes the significant involvement of parents in the administration of their local Head Start programs. The project is funded through the federal government, under the Community Opportunities, Accountability, and Training and Educational Services Act of 1998, Title I, Section 101-119.

**Gear UP NM Initiative (25205).** To encourage eligible entities to provide supportive services to elementary and middle schools, and secondary school students who are at risk of dropping out of school; and information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents. Authorization granted through Higher Education Act, Title IV, Part A, Subpart 2, Chapter 2, 20 U.S.C. 1070a-21-1070a-28.

### **Capital Projects Fund**

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

**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

fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

#### Other Financing Sources (Uses)

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

#### 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

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

#### Restricted Net Position

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

#### Fund Balances of Fund Financial Statements

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

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

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

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

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

#### Interfund Transfers

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

Deferred Inflow

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

Compensated Absences

It is the School District's policy to permit employees to accumulate earned but unused vacation, which no more than 20 days will be paid to employees upon separation from the District's service. Twelve-month employees that are full time are entitled to fourteen days of paid vacation per year. Vacation days may not accrue from one year to the next without the prior approval of the superintendent, and is accrued when incurred in the government-wide financial statements.

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
Operational	\$ 2,463,887	\$ 2,022,985	Interest
TOTAL Deposited	2,463,887	<u>2,022,985</u>	Checking
Less: FDIC Coverage	(250,000)		
Uninsured Amount	2,213,887		
50% collateral requirement	1,106,944		
Pledged securities	1,500,000		
Over (Under) requirement	<u>\$ 393,057</u>		

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

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

The following securities are pledged at **The Southwest Capital Bank**:

<u>Description</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
Letter of Credit #2696000767	\$ 1,500,000	01/25/2017	FHLB Irving, TX
	<u>\$ 1,500,000</u>		

**Custodial Credit Risk-Deposits**

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	1,500,000
Uninsured and uncollateralized	713,887
Total Deposits	<u>\$ 2,463,887</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016 none of the District's balance of \$2,463,887 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>Senate Bill Nine</u>	<u>Debt Service</u>	<u>Total</u>
Property Tax				
Available	\$ 5,791	\$ 38,013	\$ 83,648	\$ 127,452
Unavailable and Deferred	4,608	21,910	76,024	102,542
Total Property Taxes Receivable	<u>\$ 10,399</u>	<u>\$ 59,923</u>	<u>\$ 159,672</u>	<u>\$ 229,994</u>

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

	<u>Head Start 25157</u>	<u>Gear Up NM Initiative 25205</u>	<u>Other Governmental</u>	<u>Total</u>
Federal Agencies	\$ 39,717	\$ 107,297	\$ 156,095	\$ 303,109
State Agencies	0	0	39,936	39,936
Total	<u>\$ 39,717</u>	<u>\$ 107,297</u>	<u>\$ 196,031</u>	<u>\$ 343,045</u>

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

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

Due to General Fund from:	
Head Start 25157	\$ 35,415
Gear Up NM Initiative-25206	107,297
Other Governmental Funds	196,031
Totals	<u>\$ 338,743</u>

Short term loans from the General Fund to the above funds 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	Adjustments	Balance 6/30/16
<b>Governmental Activities</b>				
Capital Assets not being Depreciated				
Land	\$ 460,006	\$ 0	\$ 0	\$ 460,006
Total Capital Assets not being Depreciated	<u>460,006</u>	<u>0</u>	<u>0</u>	<u>460,006</u>
Capital Assets, being Depreciated				
Buildings & Improvements	16,131,241	130,146	84,957	16,346,344
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>3,389,939</u>	<u>48,583</u>	<u>15,778</u>	<u>3,454,300</u>
Total Capital Assets, being Depreciated	<u>19,521,180</u>	<u>178,729</u>	<u>100,735</u>	<u>19,800,644</u>
Total Capital Assets	<u>\$ 19,981,186</u>	<u>\$ 178,729</u>	<u>\$ 100,735</u>	<u>\$ 20,260,650</u>
<b>Less Accumulated Depreciation</b>				
Buildings & Improvements	\$ 4,104,880	\$ 506,246	\$ 353,457	\$ 4,964,583
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	<u>3,239,317</u>	<u>110,905</u>	<u>(353,457)</u>	<u>2,996,765</u>
Total Accumulated Depreciation	<u>7,344,197</u>	<u>617,151</u>	<u>(353,457)</u>	<u>7,961,348</u>
Capital Assets, net	<u>\$ 12,636,989</u>	<u>\$ (438,422)</u>	<u>\$ 454,192</u>	<u>\$ 12,299,302</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 487,281
Support Services	
Students	17,650
Instruction	6,758
General Administration	17,293
Central Services	3,129
Operation & Maintenance of Plant	22,493
Student Transportation	44,772
Food Services Operations	17,775
Total Depreciation Expenses	<u>\$ 617,151</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	\$ 930,000	\$ 0	\$ 130,000	\$ 800,000	\$ 325,000
Total Bonds	<u>930,000</u>	<u>0</u>	<u>130,000</u>	<u>800,000</u>	<u>325,000</u>
Other Liabilities					
Compensated					
Absences	30,731	20,359	18,363	32,727	32,727
Total Other Liabilities	<u>30,731</u>	<u>20,359</u>	<u>18,363</u>	<u>32,727</u>	<u>32,727</u>
Long-Term Liabilities	<u>\$ 960,731</u>	<u>\$ 20,359</u>	<u>\$ 148,363</u>	<u>\$ 832,727</u>	<u>\$ 357,727</u>

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
2005	7/1/05	400,000	4.05%-4.25%	\$ 75,000
2007	7/1/07	900,000	4%-4.25%	725,000
				<u>\$ 800,000</u>

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

	Principal	Interest	Total
2017	\$ 325,000	\$ 26,450	\$ 351,450
2018	325,000	13,044	338,044
2019	150,000	3,150	153,150
Total	<u>\$ 800,000</u>	<u>\$ 42,644</u>	<u>\$ 842,644</u>

**F. Commitments**

The District is involved in small renovations and repairs campus wide.

**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, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$516,600 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, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2014. At June 30, 2015, the District reported a liability of \$8,511,776 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2014. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2014, the District proportion was .13141 percent, which was an increase of .00297 percent from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$488,421. At the June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

State of New Mexico  
**Mora Independent Schools**  
Notes to the Financial Statements  
June 30, 2016

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 157,800
Changes of assumptions	292,765	0
Net difference between projected and actual earnings on pension plan investments	0	38,313
Changes in proportion and differences between the District's contributions and proportionate share of contributions	136,619	385,954
District's contributions subsequent to the measurement date	516,600	0
Total	\$ <u>945,984</u>	\$ <u>582,067</u>

\$516,600 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:	
2016	\$ (178,268)
2017	(148,978)
2018	56,370
2019	118,193
Total	\$ <u>(152,683)</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 District's proportionate share of the net pension liability to changes in the discount rate. The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2014. In particular, the table presents the Districts' 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	\$ 11,453,163	\$ 8,511,776	\$ 6,040,704

**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 the 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 \$74,344, \$74,751 and \$70,868 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 Mora Independent School District is part of a joint powers agreement with the Northeast Regional Center Cooperative (NEREC). NEREC is a regional cooperative center that operates as an agency for participating school districts and provides cooperative services as its primary service.

The purpose of the agreement is to provide supplementary special education services to local education agencies utilizing federal PL 94-142 funds.

The agreement is to remain in effect until the end of any fiscal year during which the school gives notice of intent to terminate.

The financial statements for the REC were prepared by an IPA. The audit report is available at the REC located in Las Vegas, New Mexico and at [www.saonm.org](http://www.saonm.org).

**M. Subsequent Events**

Subsequent events were evaluated through October 12, 2016 which is the date the financial statements were available to be issued. The board accepted the resignation of the superintendent on September 6, 2016.

**N. Deficit Fund Balances**

The following funds had deficit fund balances as of June 30, 2016:

Transportation-13000	\$	(4,835)
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**Supplemental Information Related to  
Major Funds**

State of New Mexico

**Mora Independent Schools**

Capital Project Fund-Senate Bill Nine-31700

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 174,589	\$ 174,589	\$ 176,175	\$ 1,586
State Grant	13,406	26,791	0	(26,791)
Total Revenues	<u>187,995</u>	<u>201,380</u>	<u>176,175</u>	<u>(25,205)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	1,746	1,762	1,762	0
Total General Administration	<u>1,746</u>	<u>1,762</u>	<u>1,762</u>	<u>0</u>
Total Support Services	<u>1,746</u>	<u>1,762</u>	<u>1,762</u>	<u>0</u>
<b>Capital Outlay</b>				
Maintenance	50,000	282,356	39,393	242,963
Construction Services	50,000	0	0	0
Supplies	33,843	48,843	68,737	(19,894)
Fixed Assets	52,406	132,406	102,401	30,005
Supply Assets	0	0	38,362	(38,362)
Total Capital Outlay	<u>186,249</u>	<u>463,605</u>	<u>248,893</u>	<u>214,712</u>
Total Expenditures	<u>187,995</u>	<u>465,367</u>	<u>250,655</u>	<u>214,712</u>
Excess (Deficiency) of Revenues Over Expenditures	0	(263,987)	(74,480)	189,507
Cash Balance Beginning of Year	<u>519,944</u>	<u>519,944</u>	<u>519,944</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 519,944</u>	<u>\$ 255,957</u>	<u>\$ 445,464</u>	<u>\$ 189,507</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures			\$ (74,480)	
Net Change in Taxes Receivable			1,923	
Net Change in Accounts Payable			4,988	
Net Change in Deferred Revenue			6,695	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (60,874)</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Property Taxes	\$ 165,805	\$ 165,805	\$ 362,179	\$ 196,374
Total Revenues	<u>165,805</u>	<u>165,805</u>	<u>362,179</u>	<u>196,374</u>
<b>Expenditures</b>				
<b>Support Services</b>				
General Administration				
Professional & Tech Services	3,694	3,966	3,622	344
Total General Administration	<u>3,694</u>	<u>3,966</u>	<u>3,622</u>	<u>344</u>
Total Support Service	<u>3,694</u>	<u>3,966</u>	<u>3,622</u>	<u>344</u>
<b>Debt Service</b>				
Principal	130,000	130,000	130,000	0
Interest	35,805	35,805	35,805	0
Total Debt Service	<u>165,805</u>	<u>165,805</u>	<u>165,805</u>	<u>0</u>
Total Expenditures	<u>169,499</u>	<u>169,771</u>	<u>169,427</u>	<u>344</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,694)	(3,966)	192,752	196,718
Cash Balance Beginning of Year	<u>163,637</u>	<u>163,637</u>	<u>163,637</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 159,943</u>	<u>\$ 159,671</u>	<u>\$ 356,389</u>	<u>\$ 196,718</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures			\$ 192,752	
Net Change in Taxes Receivable			(1,330)	
Net Change in Principal			(195,000)	
Net Change in Interest			2,693	
Net Change in Deferred Revenue			(7,717)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (8,602)</u>	

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

**Supplemental Information Related to  
Nonmajor Funds**

**Nonmajor Special Revenue Funds**

**Food 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).

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

**IDEA B Entitlement (24106) NM Autism Project (24108).** 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 & Vegetables (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.

**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).

**Carl Perkins (24171)(24173).** To account for funds distributed by the U. S. Department of Education through the State Department of Education to provide services which impact school district vocational programs, educators, and students. This fund was created by the authority of the Carl D. Perkins Vocational. and Applied Technology Education Amendments of 1998, Title I, Part B and C and Sections 115 and 116, and Workforce Investment Act, Section 503.

**USDA Equipment Assistance (24183).** To account for funds distributed by the U. S. Department of Agriculture to provide funds to purchase equipment needed for the preparation of meals for students. The fund was created by the authority of federal grant provisions.

**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).

**CNM Foundation (26207).** To account for revenues received to purchase supplies for the science lab. The fund was created by the authority of grant provisions.

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

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

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

**Kindergarten 3 Plus (27166).** To account for funds received to provide the opportunity for the district to address early literacy. The full-day kindergarten program is the first step in the implementation of a sequential early literacy approach to teaching reading.

**CYFD Child Food Program (28201).** To account for federal money received from CYFD from the National School Lunch Program to provide food to the Head Start Student. The fund was created by grant provisions.

**Nonmajor Capital Projects Fund**

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

State of New Mexico  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Balance Sheet  
 June 30, 2016

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Assets</b>			
Cash and Cash Equivalents	\$ 196,007	\$ 23,557	\$ 0
Receivables			
Due From Grantor	0	0	57,729
Inventory	10,578	0	0
Total Assets	<u>\$ 206,585</u>	<u>\$ 23,557</u>	<u>\$ 57,729</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 0	0	0
Interfund Balance	0	0	57,729
Total Liabilities	<u>0</u>	<u>0</u>	<u>57,729</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	10,578	0	0
Restricted for:			
Special Revenue	196,007	23,557	0
Capital Projects	0	0	0
Total Fund Balances	<u>206,585</u>	<u>23,557</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 206,585</u>	<u>\$ 23,557</u>	<u>\$ 57,729</u>

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

State of New Mexico  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Balance Sheet  
 June 30, 2016

	Special Revenue Fund		
	IDEA Entitlement 24106	NM Autism Project 24108	IDEA Preschool 24109
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	61,029	6,219	4,261
Inventory	0	0	0
Total Assets	<u>\$ 61,029</u>	<u>\$ 6,219</u>	<u>\$ 4,261</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	0	0	0
Interfund Balance	61,029	6,219	4,261
Total Liabilities	<u>61,029</u>	<u>6,219</u>	<u>4,261</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 61,029</u>	<u>\$ 6,219</u>	<u>\$ 4,261</u>

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



State of New Mexico  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Balance Sheet  
 June 30, 2016

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	Improving Teacher Quality 24154	Carl Perkins 24171
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	762	8,593	15,489
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 762</b>	<b>\$ 8,593</b>	<b>\$ 15,489</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	0	0	0
Interfund Balance	762	8,593	15,489
<b>Total Liabilities</b>	<b>762</b>	<b>8,593</b>	<b>15,489</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	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>\$ 762</b>	<b>\$ 8,593</b>	<b>\$ 15,489</b>

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

State of New Mexico  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Balance Sheet  
 June 30, 2016

	Special Revenue Fund		
	Carl Perkins Redistribution 24173	USDA Equipment Assistance 24183	Medicaid 25153
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 25,075
Receivables			
Due From Grantor	2,013	0	0
Inventory	0	0	0
Total Assets	<u>\$ 2,013</u>	<u>\$ 0</u>	<u>\$ 25,075</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	0	0	518
Interfund Balance	2,013	0	0
Total Liabilities	<u>2,013</u>	<u>0</u>	<u>518</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	24,557
Capital Projects	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>24,557</u>
Total Liabilities and Fund Balances	<u>\$ 2,013</u>	<u>\$ 0</u>	<u>\$ 25,075</u>

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

State of New Mexico  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Balance Sheet  
 June 30, 2016

	Special Revenue Fund		
	CNM Foundation 26207	Duel Credit Instructional Materials 27103	GO Student Library 27107
<b>Assets</b>			
Cash and Cash Equivalents	\$ 68	\$ 0	\$ 0
Receivables			
Due From Grantor	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 68</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	0	0	0
Interfund Balance	0	0	0
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	68	0	0
Capital Projects	0	0	0
Total Fund Balances	<u>68</u>	<u>0</u>	<u>0</u>
Total Liabilities and Fund Balances	<u>\$ 68</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

State of New Mexico  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Balance Sheet  
 June 30, 2016

	Special Revenue Fund		
	NM Reads to Lead 27114	Kindergarten 3 Plus 27166	CYFD Child Food Program 28201
<b>Assets</b>			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Due From Grantor	10,985	24,484	4,467
Inventory	0	0	0
<b>Total Assets</b>	<b>\$ 10,985</b>	<b>\$ 24,484</b>	<b>\$ 4,467</b>
<b>Liabilities and Fund Balance</b>			
<b>Liabilities</b>			
Accounts Payable	0	0	0
Interfund Balance	10,985	24,484	4,467
<b>Total Liabilities</b>	<b>10,985</b>	<b>24,484</b>	<b>4,467</b>
<b>Fund Balances</b>			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	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>\$ 10,985</b>	<b>\$ 24,484</b>	<b>\$ 4,467</b>

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

State of New Mexico  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Balance Sheet  
 June 30, 2016

	<u>Capital Projects</u>	
	<u>Bond Building 31100</u>	<u>Total</u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ 30,954	\$ 275,661
Receivables		
Due From Grantor	0	196,031
Inventory	0	10,578
Total Assets	<u>\$ 30,954</u>	<u>\$ 482,270</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities</b>		
Accounts Payable	0	518
Interfund Balance	0	196,031
Total Liabilities	<u>0</u>	<u>196,549</u>
<b>Fund Balances</b>		
Nonspendable-Inventory	0	10,578
Restricted for:		
Special Revenue	0	244,189
Capital Projects	30,954	30,954
Total Fund Balances	<u>30,954</u>	<u>285,721</u>
 Total Liabilities and Fund Balances	 <u>\$ 30,954</u>	 <u>\$ 482,270</u>

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

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

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	Title I 24101
<b>Revenues</b>			
Fees	\$ 8,376	\$ 78,093	\$ 0
State & Local Grants	0	0	0
Federal Grants	369,133	0	161,151
Total Revenues	<u>377,509</u>	<u>78,093</u>	<u>161,151</u>
<b>Expenditures</b>			
Current			
Instruction	0	54,719	145,471
Support Services			
Students	0	0	0
Instruction	0	0	14,859
General Administration	0	0	821
School Administration	0	0	0
Food Service Operations	329,991	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>329,991</u>	<u>54,719</u>	<u>161,151</u>
Excess (Deficiency) of Revenues Over Expenditures	47,518	23,374	0
Fund Balances at Beginning of Year	<u>159,067</u>	<u>183</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 206,585</u>	<u>\$ 23,557</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	IDEA Entitlement 24106	NM Autism Project 24108	IDEA Preschool 24109
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	142,885	6,219	4,261
<b>Total Revenues</b>	<u>142,885</u>	<u>6,219</u>	<u>4,261</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	103,507	6,219	4,261
Support Services			
Students	39,378	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>142,885</u>	<u>6,219</u>	<u>4,261</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  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 For the Year Ended June 30, 2016

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	Improving Teacher Quality 24154	Carl Perkins 24171
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	0	0
Federal Grants	9,898	22,914	44,778
<b>Total Revenues</b>	<u>9,898</u>	<u>22,914</u>	<u>44,778</u>
<b>Expenditures</b>			
Current			
Instruction	0	22,914	34,864
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	9,914
School Administration	0	0	0
Food Service Operations	9,898	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>9,898</u>	<u>22,914</u>	<u>44,778</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  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 For the Year Ended June 30, 2016

	Special Revenue Fund		
	Carl Perkins Redistribution 24173	USDA Equipment Assistance 24183	Medicaid 25153
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 40,958
State & Local Grants	0	0	0
Federal Grants	2,172	0	0
Total Revenues	<u>2,172</u>	<u>0</u>	<u>40,958</u>
<b>Expenditures</b>			
Current			
Instruction	2,172	0	0
Support Services			
Students	0	0	71,859
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Total Expenditures	<u>2,172</u>	<u>0</u>	<u>71,859</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(30,901)
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>55,458</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 24,557</u>

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

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

	Special Revenue Fund		
	CNM Foundation 26207	Duel Credit Instructional Materials 27103	GO Student Library 27107
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	0	2,808	0
Federal Grants	0	0	0
<b>Total Revenues</b>	<u>0</u>	<u>2,808</u>	<u>0</u>
<b>Expenditures</b>			
<b>Current</b>			
Instruction	0	2,808	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
<b>Total Expenditures</b>	<u>0</u>	<u>2,808</u>	<u>0</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	0	0	0
<b>Fund Balances at Beginning of Year</b>	<u>68</u>	<u>0</u>	<u>0</u>
<b>Fund Balance End of Year</b>	<u>\$ 68</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	NM Reads to Lead 27114	Kindergarten 3 Plus 27166	CYFD Child Food Program 28201
<b>Revenues</b>			
Fees	\$ 0	\$ 0	\$ 0
State & Local Grants	50,000	49,751	0
Federal Grants	0	0	25,765
Total Revenues	<u>50,000</u>	<u>49,751</u>	<u>25,765</u>
<b>Expenditures</b>			
Current			
Instruction	50,000	40,902	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	8,849	0
Food Service Operations	0	0	25,765
Capital Outlay	0	0	0
Total Expenditures	<u>50,000</u>	<u>49,751</u>	<u>25,765</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  
**Mora Independent Schools**  
 Nonmajor Funds  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balance  
 For the Year Ended June 30, 2016

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	<u>Capital Projects</u>	
	<u>Bond Building 31100</u>	<u>Total</u>
Revenues		
Fees	\$ 0	\$ 127,427
State & Local Grants	0	102,559
Federal Grants	0	789,176
Total Revenues	<u>0</u>	<u>1,019,162</u>
Expenditures		
Current		
Instruction	0	467,837
Support Services		
Students	0	111,237
Instruction	0	14,859
General Administration	0	10,735
School Administration	0	8,849
Food Service Operations	0	365,654
Capital Outlay	0	0
Total Expenditures	<u>0</u>	<u>979,171</u>
Excess (Deficiency) of Revenues Over Expenditures	0	39,991
Fund Balances at Beginning of Year	<u>30,954</u>	<u>245,730</u>
Fund Balance End of Year	<u>\$ 30,954</u>	<u>\$ 285,721</u>

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Fees	\$ 6,000	\$ 6,000	\$ 8,376	\$ 2,376
Federal Grants	267,296	267,296	344,910	77,614
Total Revenues	<u>273,296</u>	<u>273,296</u>	<u>353,286</u>	<u>79,990</u>
<b>Expenditures</b>				
<b>Food Services Operations</b>				
Personnel Services	118,454	143,463	115,425	28,038
Employee Benefits	96,057	89,557	58,602	30,955
Professional & Tech Services	3,500	5,000	3,638	1,362
Purchased Services	7,000	8,000	7,402	598
Supplies	106,772	163,438	122,374	41,064
Supply Assets	0	14,000	0	14,000
Total Food Service Operations	<u>331,783</u>	<u>423,458</u>	<u>307,441</u>	<u>116,017</u>
Total Expenditures	<u>331,783</u>	<u>423,458</u>	<u>307,441</u>	<u>116,017</u>
Excess (Deficiency) of Revenues Over Expenditures	(58,487)	(150,162)	45,845	196,007
Cash Balance Beginning of Year	<u>150,162</u>	<u>150,162</u>	<u>150,162</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 91,675</u>	<u>\$ 0</u>	<u>\$ 196,007</u>	<u>\$ 196,007</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 45,845	
Net Change in Inventory			1,478	
Net Change in Accounts Payable			195	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 47,518</u>	

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

State of New Mexico

**Mora Independent Schools**

Special Revenue Fund-Athletics-22000

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 37,485	\$ 74,055	\$ 77,020	\$ 2,965
Other	0	0	1,072	1,072
Total Revenues	<u>37,485</u>	<u>74,055</u>	<u>78,092</u>	<u>4,037</u>
Expenditures				
Instruction				
Purchased Services	27,485	34,005	28,181	5,824
Supplies	<u>12,941</u>	<u>42,941</u>	<u>26,537</u>	<u>16,404</u>
Total Instruction	<u>40,426</u>	<u>76,946</u>	<u>54,718</u>	<u>22,228</u>
Total Expenditures	<u>40,426</u>	<u>76,946</u>	<u>54,718</u>	<u>22,228</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,941)	(2,891)	23,374	26,265
Cash Balance Beginning of Year	<u>183</u>	<u>183</u>	<u>183</u>	<u>0</u>
Cash Balance End of Year	<u><u>\$ (2,758)</u></u>	<u><u>\$ (2,708)</u></u>	<u><u>\$ 23,557</u></u>	<u><u>\$ 26,265</u></u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 23,374</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u><u>\$ 23,374</u></u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 234,489	\$ 220,433	\$ 162,704	\$ (57,729)
Total Revenues	<u>234,489</u>	<u>220,433</u>	<u>162,704</u>	<u>(57,729)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	110,219	100,450	97,946	2,504
Employee Benefits	44,782	38,476	42,061	(3,585)
Professional & Tech Services	1,000	1,000	0	1,000
Supplies	1,000	5,545	5,464	81
Total Instruction	<u>157,001</u>	<u>145,471</u>	<u>145,471</u>	<u>0</u>
<b>Support Services</b>				
<b>Instruction</b>				
Personnel Services	12,000	12,000	12,000	0
Employee Benefits	5,385	2,859	2,859	0
Total Instruction	<u>17,385</u>	<u>14,859</u>	<u>14,859</u>	<u>0</u>
<b>General Administration</b>				
Professional & Tech Services	821	821	821	0
Total General Administration	<u>821</u>	<u>821</u>	<u>821</u>	<u>0</u>
Total Support Services	<u>18,206</u>	<u>15,680</u>	<u>15,680</u>	<u>0</u>
Total Expenditures	<u>175,207</u>	<u>161,151</u>	<u>161,151</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	59,282	59,282	1,553	(57,729)
Cash Balance Beginning of Year	<u>(59,282)</u>	<u>(59,282)</u>	<u>(59,282)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (57,729)</u>	<u>\$ (57,729)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ 1,553	
Net Change in Due from Grantor			(1,553)	
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

**Mora Independent Schools**

Special Revenue Fund-IDEA B Entitlement-24106

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 123,925	\$ 248,034	\$ 113,030	\$ (135,004)
Total Revenues	<u>123,925</u>	<u>248,034</u>	<u>113,030</u>	<u>(135,004)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	42,534	59,534	67,587	(8,053)
Employee Benefits	14,428	18,588	20,443	(1,855)
Professional & Tech Services	0	5,000	1,705	3,295
Purchased Services	0	2,000	0	2,000
Supplies	0	23,949	0	23,949
Supply Assets	0	70,000	18,673	51,327
Total Instruction	<u>56,962</u>	<u>179,071</u>	<u>108,408</u>	<u>70,663</u>
<b>Support Services</b>				
<b>Students</b>				
Personnel Services	24,874	24,874	25,532	(658)
Employee Benefits	15,817	15,817	13,847	1,970
Purchased Services	0	0	0	0
Supplies	0	2,000	0	2,000
Total Students	<u>40,691</u>	<u>42,691</u>	<u>39,379</u>	<u>3,312</u>
Total Support Services	<u>40,691</u>	<u>42,691</u>	<u>39,379</u>	<u>3,312</u>
Total Expenditures	<u>97,653</u>	<u>221,762</u>	<u>147,787</u>	<u>73,975</u>
Excess (Deficiency) of Revenues Over Expenditures	26,272	26,272	(34,757)	(61,029)
Cash Balance Beginning of Year	<u>(26,272)</u>	<u>(26,272)</u>	<u>(26,272)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (61,029)</u>	<u>\$ (61,029)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (34,757)	
Net Change in Due from Grantor			29,855	
Net change in Account Payables			4,902	
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

**Mora Independent Schools**

Special Revenue Fund-NM Autism Project-24108

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 0	\$ 10,090	\$ 0	\$ (10,090)
Total Revenues	<u>0</u>	<u>10,090</u>	<u>0</u>	<u>(10,090)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Professional & Tech Services	0	4,000	2,050	1,950
Purchased Services	0	2,636	2,601	35
Supplies	<u>0</u>	<u>3,454</u>	<u>1,568</u>	<u>1,886</u>
Total Instruction	<u>0</u>	<u>10,090</u>	<u>6,219</u>	<u>3,871</u>
Total Expenditures	<u>0</u>	<u>10,090</u>	<u>6,219</u>	<u>3,871</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(6,219)	(6,219)
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>\$ (6,219)</u>	<u>\$ (6,219)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (6,219)	
Net Change in Due from Grantor			<u>6,219</u>	
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

**Mora Independent Schools**

Special Revenue Fund-IDEA Preschool-24109

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 6,061	\$ 12,122	\$ 0	\$ (12,122)
Total Revenues	<u>6,061</u>	<u>12,122</u>	<u>0</u>	<u>(12,122)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	4,212	4,212	3,440	772
Employee Benefits	1,849	1,849	821	1,028
Supplies	<u>0</u>	<u>6,061</u>	<u>0</u>	<u>6,061</u>
Total Instruction	<u>6,061</u>	<u>12,122</u>	<u>4,261</u>	<u>7,861</u>
Total Expenditures	<u>6,061</u>	<u>12,122</u>	<u>4,261</u>	<u>7,861</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(4,261)	(4,261)
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>\$ (4,261)</u>	<u>\$ (4,261)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (4,261)	
Net Change in Due from Grantor			<u>4,261</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

**Mora Independent Schools**

Special Revenue Fund-Fresh Fruit & Vegetables-24118

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 4,385	\$ 14,425	\$ 13,521	\$ (904)
Total Revenues	<u>4,385</u>	<u>14,425</u>	<u>13,521</u>	<u>(904)</u>
Expenditures				
Instruction				
Supplies	<u>0</u>	<u>10,040</u>	<u>9,898</u>	<u>142</u>
Total Instruction	<u>0</u>	<u>10,040</u>	<u>9,898</u>	<u>142</u>
Total Expenditures	<u>0</u>	<u>10,040</u>	<u>9,898</u>	<u>142</u>
Excess (Deficiency) of Revenues Over Expenditures	4,385	4,385	3,623	(762)
Cash Balance Beginning of Year	<u>(4,385)</u>	<u>(4,385)</u>	<u>(4,385)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (762)</u>	<u>\$ (762)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 3,623	
Net Change in Deferred Revenue			<u>(3,623)</u>	
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

**Mora Independent Schools**

Special Revenue Fund-Improving Teacher Quality-24154

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 28,931	\$ 58,613	\$ 20,602	\$ (38,011)
Total Revenues	<u>28,931</u>	<u>58,613</u>	<u>20,602</u>	<u>(38,011)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	17,125	17,125	17,125	0
Employee Benefits	5,524	5,524	5,788	(264)
Professional & Tech Services	0	20,000	0	20,000
Purchased Services	0	9,682	0	9,682
Total Instruction	<u>22,649</u>	<u>52,331</u>	<u>22,913</u>	<u>29,418</u>
Total Expenditures	<u>22,649</u>	<u>52,331</u>	<u>22,913</u>	<u>29,418</u>
Excess (Deficiency) of Revenues Over Expenditures	6,282	6,282	(2,311)	(8,593)
Cash Balance Beginning of Year	<u>(6,282)</u>	<u>(6,282)</u>	<u>(6,282)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (8,593)</u>	<u>\$ (8,593)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (2,311)	
Net Change in Due from Grantor			<u>2,311</u>	
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

**Mora Independent Schools**

Special Revenue Fund-Carl Perkins-24171

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
Federal Grant	\$ 53,980	\$ 59,751	\$ 39,759	\$ (19,992)
Total Revenues	<u>53,980</u>	<u>59,751</u>	<u>39,759</u>	<u>(19,992)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	26,038	26,038	26,038	0
Employee Benefits	9,223	9,223	8,826	397
Purchased Services	0	2,000	0	2,000
Supplies	0	1,736	0	1,736
Total Instruction	<u>35,261</u>	<u>38,997</u>	<u>34,864</u>	<u>4,133</u>
<b>Support Services</b>				
<b>General Administration</b>				
Professional & Tech Services	749	2,784	2,414	370
Purchased Services	7,500	7,500	7,500	0
Total General Administration	<u>8,249</u>	<u>10,284</u>	<u>9,914</u>	<u>370</u>
Total Support Services	<u>8,249</u>	<u>10,284</u>	<u>9,914</u>	<u>370</u>
Total Expenditures	<u>43,510</u>	<u>49,281</u>	<u>44,778</u>	<u>4,503</u>
Excess (Deficiency) of Revenues Over Expenditures	10,470	10,470	(5,019)	(15,489)
Cash Balance Beginning of Year	<u>(10,470)</u>	<u>(10,470)</u>	<u>(10,470)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (15,489)</u>	<u>\$ (15,489)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,019)	
Net Change in Due from Grantor			5,019	
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

**Mora Independent Schools**

Special Revenue Fund-Carl Perkins Redistribution-24173

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 1,018	\$ 10,882	\$ 1,785	\$ (9,097)
Total Revenues	<u>1,018</u>	<u>10,882</u>	<u>1,785</u>	<u>(9,097)</u>
Expenditures				
Instruction				
Purchased Services	0	3,288	522	2,766
Supplies	0	6,576	2,258	4,318
Total Instruction	<u>0</u>	<u>9,864</u>	<u>2,780</u>	<u>7,084</u>
Total Expenditures	<u>0</u>	<u>9,864</u>	<u>2,780</u>	<u>7,084</u>
Excess (Deficiency) of Revenues Over Expenditures	1,018	1,018	(995)	(2,013)
Cash Balance Beginning of Year	<u>(1,018)</u>	<u>(1,018)</u>	<u>(1,018)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(2,013)</u>	\$ <u>(2,013)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (995)	
Net Change in Due from Grantor			387	
Net change in Account Payables			608	
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

**Mora Independent Schools**

Special Revenue Fund-USDA Equipment Assistance-24183

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 8,761	\$ 8,761	\$ 8,761	\$ 0
Total Revenues	<u>8,761</u>	<u>8,761</u>	<u>8,761</u>	<u>0</u>
Expenditures				
Food Services Operations				
Fixed Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Food Services Operations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,761</u>	<u>8,761</u>	<u>8,761</u>	<u>0</u>
Cash Balance Beginning of Year	<u>(8,761)</u>	<u>(8,761)</u>	<u>(8,761)</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				
Net Change in Cash Balance			\$ 8,761	
Net Change in Due from Grantor			<u>(8,761)</u>	
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

**Mora Independent 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- Over (Under)
	Original	Final		
Revenues				
Fees	\$ 28,000	\$ 28,000	\$ 40,958	\$ 12,958
Total Revenues	<u>28,000</u>	<u>28,000</u>	<u>40,958</u>	<u>12,958</u>
Expenditures				
Support Services				
Students				
Personnel Services	17,000	34,238	50,505	(16,267)
Employee Benefits	16,153	16,153	16,079	74
Professional & Tech Services	0	0	260	(260)
Purchased Services	587	587	2,300	(1,713)
Supplies	1,000	11,000	2,197	8,803
Supply Assets	0	32,472	0	32,472
Total Support Services	<u>34,740</u>	<u>94,450</u>	<u>71,341</u>	<u>23,109</u>
Total Expenditures	<u>34,740</u>	<u>94,450</u>	<u>71,341</u>	<u>23,109</u>
Excess (Deficiency) of Revenues Over Expenditures	(6,740)	(66,450)	(30,383)	36,067
Cash Balance Beginning of Year	<u>55,458</u>	<u>55,458</u>	<u>55,458</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 48,718</u>	<u>\$ (10,992)</u>	<u>\$ 25,075</u>	<u>\$ 36,067</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (30,383)	
Net Change in Accounts Payable			(518)	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (30,901)</u>	

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



State of New Mexico

**Mora Independent Schools**

Special Revenue Fund-CNM Foundation-26207

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	0	0	0
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>68</u>	<u>68</u>	<u>68</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 68</u>	<u>\$ 68</u>	<u>\$ 68</u>	<u>\$ 0</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

**Mora Independent Schools**

Special Revenue Fund-Dual Credit Instructional Materials-27103

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 0	\$ 2,808	\$ 2,808	\$ 0
Total Revenues	<u>0</u>	<u>2,808</u>	<u>2,808</u>	<u>0</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	2,808	2,808	0
Total Instruction	<u>0</u>	<u>2,808</u>	<u>2,808</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>2,808</u>	<u>2,808</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>				
Net Change in Cash Balance			\$ <u>0</u>	
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

**Mora Independent 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- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 14,788	\$ 14,788	\$ 1,595	\$ (13,193)
Total Revenues	<u>14,788</u>	<u>14,788</u>	<u>1,595</u>	<u>(13,193)</u>
<b>Expenditures</b>				
<b>Support Services</b>				
<b>Instruction</b>				
Supplies	13,193	13,193	0	13,193
Total Instruction	<u>13,193</u>	<u>13,193</u>	<u>0</u>	<u>13,193</u>
Total Support Services	<u>13,193</u>	<u>13,193</u>	<u>0</u>	<u>13,193</u>
Total Expenditures	<u>13,193</u>	<u>13,193</u>	<u>0</u>	<u>13,193</u>
Excess (Deficiency) of Revenues Over Expenditures	1,595	1,595	1,595	0
Cash Balance Beginning of Year	<u>(1,595)</u>	<u>(1,595)</u>	<u>(1,595)</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			\$ 1,595	
Net Change in Due from Grantor			<u>(1,595)</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

**Mora Independent Schools**

Special Revenue Fund-NM Reads to Lead-27114

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
State & Local Grants	\$ 64,692	\$ 64,692	\$ 53,707	\$ (10,985)
Total Revenues	<u>64,692</u>	<u>64,692</u>	<u>53,707</u>	<u>(10,985)</u>
Expenditures				
Instruction				
Personnel Services	34,548	34,548	35,266	(718)
Employee Benefits	<u>15,452</u>	<u>15,452</u>	<u>14,734</u>	<u>718</u>
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	14,692	14,692	3,707	(10,985)
Cash Balance Beginning of Year	<u>(14,692)</u>	<u>(14,692)</u>	<u>(14,692)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (10,985)</u>	<u>\$ (10,985)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 3,707	
Net Change in Due from Grantor			(3,707)	
Net Change in Accounts Payable			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

**Mora Independent Schools**

Special Revenue Fund-Kindergarten 3 Plus-27166

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
<b>Revenues</b>				
State & Local Grants	\$ 49,818	\$ 74,244	\$ 46,951	\$ (27,293)
Total Revenues	<u>49,818</u>	<u>74,244</u>	<u>46,951</u>	<u>(27,293)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Personnel Services	13,480	33,876	32,757	1,119
Employee Benefits	3,075	3,075	7,693	(4,618)
Purchased Services	789	789	392	397
Supplies	1,000	1,000	60	940
Supply Assets	4,050	4,050	0	4,050
Total Instruction	<u>22,394</u>	<u>42,790</u>	<u>40,902</u>	<u>1,888</u>
<b>Support Services</b>				
<b>School Administration</b>				
Personnel Services	4,672	8,702	7,160	1,542
Employee Benefits	1,067	1,067	1,688	(621)
Total School Administration	<u>5,739</u>	<u>9,769</u>	<u>8,848</u>	<u>921</u>
Total Support Services	<u>5,739</u>	<u>9,769</u>	<u>8,848</u>	<u>921</u>
Total Expenditures	<u>28,133</u>	<u>52,559</u>	<u>49,750</u>	<u>2,809</u>
Excess (Deficiency) of Revenues Over Expenditures	21,685	21,685	(2,799)	(24,484)
Cash Balance Beginning of Year	<u>(21,685)</u>	<u>(21,685)</u>	<u>(21,685)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (24,484)</u>	<u>\$ (24,484)</u>
<b>Reconciliation of Budgetary Basis to GAAP Basis</b>				
Net Change in Cash Balance			\$ (2,799)	
Net Change in Due from Grantor			2,799	
Net Change in Accounts Payable			0	
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

**Mora Independent Schools**

Special Revenue Fund-CYFD Child Food Program-28201

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Over (Under)
	Original	Final		
Revenues				
Federal Grant	\$ 25,039	\$ 32,638	\$ 24,094	\$ (8,544)
Total Revenues	<u>25,039</u>	<u>32,638</u>	<u>24,094</u>	<u>(8,544)</u>
Expenditures				
Food Service Operations				
Supplies	22,244	29,843	25,766	4,077
Total Food Service Operations	<u>22,244</u>	<u>29,843</u>	<u>25,766</u>	<u>4,077</u>
Total Expenditures	<u>22,244</u>	<u>29,843</u>	<u>25,766</u>	<u>4,077</u>
Excess (Deficiency) of Revenues Over Expenditures	2,795	2,795	(1,672)	(4,467)
Cash Balance Beginning of Year	<u>(2,795)</u>	<u>(2,795)</u>	<u>(2,795)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,467)</u>	<u>\$ (4,467)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,672)	
Net Change in Due from Grantor			1,672	
Net Change in Deferred Revenue			<u>0</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

**Mora Independent 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- Over (Under)
	Original	Final		
<b>Revenues</b>				
Interest Income	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Purchased Services	10,000	10,000	0	10,000
Fixed Assets	20,954	20,954	0	20,954
Total Capital Outlay	<u>30,954</u>	<u>30,954</u>	<u>0</u>	<u>30,954</u>
Total Expenditures	<u>30,954</u>	<u>30,954</u>	<u>0</u>	<u>30,954</u>
Excess (Deficiency) of Revenues Over Expenditures	(30,954)	(30,954)	0	30,954
Cash Balance Beginning of Year	<u>30,954</u>	<u>30,954</u>	<u>30,954</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 30,954</u>	<u>\$ 30,954</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.

**Required Supplemental Information**



State of New Mexico  
**Mora Independent Schools**  
Schedules of Required Supplementary Information  
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	0.12844%	0.13141%
District's proportionate share of the net pension liability	\$ 8,511,776	\$ 8,511,776
District's covered-employee payroll	\$ 3,540,402	\$ 3,587,914
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	240.42%	237.23%
Plan fiduciary net position as a percentage of the total	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

**Schedule of District's Contributions**

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 519,026	\$ 592,594
Contributions in relation to the contractually required	519,026	519,257
Contribution deficiency (excess)	0	73,337
District's covered-employee payroll	3,540,402	3,587,914
Contributions as a percentage of covered-employee payroll	14.66%	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 REC will present information for those years for which information is available.

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

**Mora Independent Schools**

Notes to Required Supplementary Information

For the Year Ended June 30, 2015

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**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**

STATE OF NEW MEXICO  
**Mora Independent Schools**  
Fiduciary Fund  
June 30, 2016

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**Activity Trust Fund**

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

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

	Balance 6/30/15	Additions	Deletions	Balance 6/30/16
<b>Assets</b>				
23001 Cheerleaders	\$ 610	\$ 0	\$ 0	\$ 610
23002 National Honor Society	319	0	0	319
23003 High School General	4,028	524	3,559	994
23004 MESA	1,894	892	776	2,010
23005 BPA	3,085	14,862	14,354	3,593
23006 Scholarship	1,361	0	0	1,361
23007 Student Council	113	0	0	113
23008 Yearbook	2,205	566	2,771	0
23009 Memorial Wall	60	0	0	60
23010 Band	1,581	0	0	1,581
23011 Girls - Athletic Field Donation	3,363	320	285	3,398
23012 Class of 2014	1,012	0	0	1,012
23013 Peer Educators	173	0	0	173
23014 Swimming Pool	3,868	0	0	3,868
23015 Cross Country	123	0	0	123
23016 Alumni Scholarship	705	0	0	705
23017 21st Century Activity	2,828	0	0	2,828
23018 Class of 2016	9,455	135	5,210	4,381
23019 JAG Activity	366	3,805	3,233	938
23020 Girls Basketball Camp	1,115	750	1,656	209
23021 Boys Basketball Camp	475	1,085	1,245	315
23023 Class of 2018	360	503	0	863
23024 Dare Program	95	0	0	95
23025 Future Educators of America	80	0	0	80
23027 Prevention Activities	2,593	0	0	2,593
23028 Class of 2012	1,005	0	0	1,005
23030 FFA	2,610	0	0	2,610
23034 Elementary General	258	23,996	18,810	5,444
23035 CASSM	1,274	0	392	883
23036 Middle School Student Council	2,291	8,312	4,485	6,118
23038 District 5-AA	938	13,025	12,549	1,414
23039 District 2-AA	198	0	0	198
23040 Middle School MESA	699	245	577	367
23041 Elementary Library	147	0	0	147
23042 Elementary Yearbook	1,063	825	1,723	164
23043 Cafeteria Activity	711	0	0	711
23044 Middle School Yearbook	793	36	500	329
23050 Class of 2017	2,150	3,016	2,600	2,566
23053 7th-8th Grade Basketball	127	0	0	127
23054 Head Start Activity	1,743	2,219	1,103	2,858
23056 Health Club	658	0	0	658
23060 Class of 2009	203	0	0	203
23061 7th-8th Volleyball	12	0	0	12
23062 Elementary Student Council	74	119	81	112
23063 Middle School Football	\$ 1,216	\$ 0	\$ 0	\$ 1,216

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

		Balance 6/30/15	Additions	Deletions	Balance 6/30/16
23065	Middle School No Referral	\$ 5,093	\$ 0	\$ 2,868	\$ 2,225
23066	Middle School Science	505	0	0	505
23067	7th-8th Girls Basketball	355	0	0	355
23082	Mariachi	593	5,026	3,877	1,742
	Total Assets	<u>\$ 66,582</u>	<u>\$ 80,262</u>	<u>\$ 82,653</u>	<u>\$ 64,191</u>
 Liabilities					
	Deposits Held for Others	\$ 66,582	\$ 80,262	\$ 82,653	\$ 64,191
	Total Liabilities	<u>\$ 66,582</u>	<u>\$ 80,262</u>	<u>\$ 82,653</u>	<u>\$ 64,191</u>

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

State of New Mexico  
**Mora Independent 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 \$	1,026,143 \$	4,504,939 \$	4,336,073 \$	1,195,009
Transportation	13000	66,522	412,928	479,449	1
Instructional Materials	14000	24,374	30,667	30,028	25,013
Food Service	21000	150,163	353,286	307,441	196,008
Athletics	22000	182	78,092	54,718	23,556
Federal Flowthrough	24000	(116,471)	360,361	399,987	(156,097)
Federal Direct	25000	(21,081)	1,452,030	1,548,586	(117,637)
Local Grants	26000	68	0	0	68
State Flowthrough	27000	(37,971)	111,153	108,651	(35,469)
State Directed	28000	(2,795)	24,094	25,765	(4,466)
Bond Building	31100	30,954	0	0	30,954
Senate Bill Nine	31700	519,945	176,175	250,655	445,465
Debt Service	41000	163,637	362,179	169,427	356,389
Activities	23000	66,582	80,262	82,653	64,191
Total		<u>\$ 1,870,252</u>	<u>\$ 7,946,166</u>	<u>\$ 7,793,433</u>	<u>\$ 2,022,985</u>

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

State of New Mexico

**Mora Independent Schools**

Vendor Schedule

For the Year Ended June 30, 2016

<i>RFB#/RFP# (If applicable)</i>	<i>Type of Procurement</i>	<i>Vendor Name</i>	<i>Did Vendor Win Contract?</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Physical address of vendor (City, State)</i>	<i>Did the Vendor provide documentation of eligibility for in-state preference?</i>	<i>Did the Vendor provide documentation of eligibility for veterans' preference?</i>	<i>Brief Description of the Scope of Work</i>	<i>If the procurement is attributable to a Component Unit, Name of Component Unit</i>
	ITB/CSB	Northern NM Gas Company	\$1.05/gal \$55.00/hr. service			Northern NM Gas Co. PO Box 144 Angel Fire, NM 87710 Ferrell Gas 209 S Grand Ave. Las Vegas, NM 87701	N	N/A	Provide Propane for the District	N/A
	renewal of Contract	Consuelo Cruz	Not to exceed \$65,000 \$70.00/hr.	Not to exceed \$85,000 \$70.00/hr.		Consuelo Cruz PO Box 94 Holman, NM 87723	N	N/A	Speech Language Pathologist	N/A
	renewal of Contract	RV's Transportation	\$84,577.42	\$107,452.42		309 Bibb Industrial Park Las Vegas, NM 87732	N	N/A	Transportation Contractor School Bus Route	N/A
	renewal of Contract	Cleo R. Montoya	\$53,848.87	\$62,473.87		PO Box 12 7 Montoya Lane Rainsville, NM 87736	N	N/A	Transportation Contractor School Bus Route	N/A
	renewal of Contract	Frank Chavez	\$52,446.00	\$61,071.00		PO Box 311 Mora, NM 87732	N	N/A	Transportation Contractor School Bus Route	N/A



## **Federal compliance**

State of New Mexico  
**Mora Independent 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	\$ 104,935
National School Lunch Program	10.555	21000	230,380
			<u>335,315</u>
Fresh Fruit & Vegetable Program	10.582	24118	9,898
Pass-through State Department of Human Services:			
Supplemental Nutrition Assistance Program	10.551	21000	(1) 24,223
Pass-through Children, Youth, and Families Department			
Child and Adult Care Food Program	10.558	28201	25,765
Summer Food Service Program for Children	10.559	21000	9,595
Direct Program			
Rural Development, Forestry, and Communities	10.672	11000	49,520
Total U. S. Department of Agriculture			<u>454,316</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA B Entitlement	84.027	24106	142,885
IDEA B Autism	84.027	24108	6,219
IDEA Preschool	84.173	24109	4,261
			<u>153,365</u>
Pass-through State Public Education Department:			
Title I	84.010	24101	161,151
Improving Teacher Quality	84.367	24154	22,914
Carl Perkins	84.048	24171	44,778
Carl Perkins	84.048	24173	2,172
Pass-through Department of Higher Education:			
Gear Up NM Incentive	84.334	25205	232,363
Total U. S. Department of Education			<u>616,743</u>
<u>U. S. Department of Health and Human Services</u>			
Direct Program			
Head Start	93.600	25127	1,246,746
Total Federal Assistance			\$ <u>2,317,805</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

State of New Mexico

**Mora Independent 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.

Note 4: De Minimis Indirect Rate

The District did not elect to use the 10% de minimis indirect cost rate.

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 Mora Independent 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 Mora Independent Schools (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 12, 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 2013-004, 2014-008, 2015-003, 2015-005, 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, and 2016-006.

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 2013-004, 2014-008, 2015-003, 2015-005, 2016-001, 2016-002, 2016-003, 2016-004, 2016-005, and 2016-006.

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  
October 12, 2016

De'Aun Willoughby CPA, PC

Certified Public Accountant

225 Innsdale Terrace Clovis, NM 88101

(855) 253-4313

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 Mora Independent Schools

Mr. Keller and Members of the Board

Report on Compliance for Each Major Federal Program

We have audited Mora Independent 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 with those requirements.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements 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. In planning and performing the compliance audit, 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 the 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 District's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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  
October 12, 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 section 510(a) of Circular A-133 No

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
93.600	Head Start

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

Audited qualified as low risk Auditee Yes



**Federal Compliance Findings**

**Prior Year Audit Findings**  
 None  
**Current Year Audit Findings**  
 None

**Financial Statements Findings**

<b>Prior Year Audit Findings</b>	<b>Status</b>
2013-004 Expenditure Issues	Repeated & Modified
2014-008 Receipt Books	Repeated & Modified
2015-001 Pledged Securities	Resolved
2015-002 Checks that are actual ACH debits are not be disposed of correctly	Resolved
2015-003 Payroll	Repeated & Modified
2015-004 Violation of the Nepotism Law	Resolved
2015-005 Certification of Inventory	Repeated
2015-006 Budget Violations	Resolved

**Current Year Audit Findings**

**2013-004 Expenditure Issues-Compliance and Internal Control-Significant Deficiency Condition**

Out of 234 expenditures sampled we note:

- Fund 11000-of the 26 expenditures sampled totaling \$217,047.33, 2 had after fact PO's totaling \$7,572.05.
- Fund 13000-of the 11 expenditures sampled totaling \$52,795.98, 1 had a after fact PO totaling \$3,382.44.
- Fund 24106 -of the 3 expenditures sampled totaling \$2,047.32, 1 had a after fact PO totaling \$227.70.
- Fund 25127 - of the 10 expenditures sampled totaling \$188,404.15, 3 did not have the proper supporting documentation totaling \$18,600.54
- Fund 25205-of the 6 expenditures that were sampled totaling \$18,001.95, 3 had after fact PO's totaling \$2,125.46 and 1 did not have the proper documentation totaling \$5,013.75.
- Fund 28201-of the 10 expenditures sampled totaling \$9,082.07, 1 had a after fact PO totaling \$967.59.
- Fund 31700 -of the 19 expenditures samples totaling \$216,617.81, 3 had after fact PO's totaling \$15,607.84.

Management has made progress in correcting the above issues from the prior year.

**Criteria**

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

**Cause**

The maintenance department failed to obtain a purchase order before purchases were made.

**Effect**

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

**Recommendation**

Personnel should be trained in the procurement process and there should be consequences for failing to follow the process.

**Response**

Training is being provided to employees. Employees will be held responsible for liabilities arising from the violations.

The superintendent is responsible for enforcing the procurement process. It is unknown when this issue will be resolved.

**2014-008 Receipt Books-Compliance and Internal Control-Significant Deficiency**

**Condition**

From a sample of 28 receipts, 10 were held by a campus secretary beyond 24 hours for a total of \$625.38, however a quick review of most of the receipts from this secretary revealed this was a common occurrence. Three receipts were made to activities rather than individuals for a total of \$145.00, however a quick review of most of the receipts from this secretary revealed this was a common occurrence. Two deposits did not have receipts for a total of \$181.50. One gate reconciliation summary form included tickets sold did not agree with the amount collected. It appeared to be a math error. The total receipt was \$525.00. One secretary was not giving the yellow copies of the receipts to central office for a total of \$25.00, however, a review of all of the receipts from that secretary indicated none of the yellow copies accompanied the deposit slip when turned into central office.

Management has made progress in correcting the above issues from the prior year.

**Criteria**

NMAC 6.20.2.11 Internal Control Structure Standards B. Each school district shall develop, establish and maintain a structure of internal accounting controls and written procedures to provide for segregation of duties, a system of authorization and recording procedures, and sound accounting practices in performance of duties and functions. The duties to be segregated are the authorization to execute a transaction, recording the transaction, and custody of assets involved in the transaction.

**Cause**

Management was not aware the secretary was holding money and not depositing it within 24 hours. They were not aware receipts should not be issued to an activity rather than an individual and they had not requested the yellow copies from a secretary.

**Effect**

Cash could be misappropriated without documentation or evidence that is provided by receipts and adequate internal controls.

**Recommendation**

Money should be receipted every time it changes custody, should be deposited within 24 hours and should be turned in to the central office with the deposit slip and daily summary form. The gate receipts reconciliation summary should be reviewed for math errors at the time the form is completed.

**Response**

We will require a receipt each time money changes custody, require money to be deposited daily and require yellow copy of the receipts accompany the deposit slip and cash summary. We will review the gate receipts summary form when it reaches central office and be sure reconciles.

The CFO is responsible for the internal control system for receipting money. The issue has already been corrected.

**2015-003 Payroll-Compliance and Internal Control-Significant Deficiency**

**Condition**

Out of 16 personnel files sampled we noted:

- 1) 1 of the 15 employees sampled a W-4 could not be located.
- 2) Employees who fall into the non-exempt employee status did not have time cards, had incomplete time cards, no supervisor signature, or another method to prove hours worked. We were unable to determine if overtime should have been paid.
- 3) 2 of 5 teachers sampled did not have their contract in alignment with the District's salary schedule. The two were under \$51.00 each.

Management has made progress in correcting the above issues from the prior year.

**Criteria**

NMAC 6.20.2.18 states the local board shall establish written policies and procedures which comply with state and federal regulations on payroll as well as maintaining strict internal controls, close supervision and financial accounting in accordance with GAAP.

**Cause**

The payroll process lacks adequate review or oversight allowing mistakes documented above.

**Effect**

Missing W-4 forms could allow a dispute with employees for incorrectly withholding taxes. Contracts are the legal basis for compensation to an employee and should agree with what an employee is paid. Mistakes could cost the District additional funds and legal fees.

**Recommendation**

The CFO should review the initial set up of employees by comparing the software system to the contracts, W-4 and other documentation to determine if the setup is correct.

**Response**

We will review the setup of each employee in the software system comparing contracts and other documentation to determine employees are paid correctly.

The CFO is responsible for this finding and will correct the issues immediately by completing the review process.

**2015-005 Certification of Inventory-Compliance and Internal Control-Significant Deficiency**

**Condition**

The District did not certify the inventory for the fiscal year ended June 30, 2016. Management has not made progress in correcting the above issues from the prior year.

**Criteria**

Section 12-6-10(A) NMSA 1978 requires each agency to conduct an annual physical inventory of movable chattels and equipment on the inventory list at the end of each fiscal year. The agency shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the agency's auditors.

**Effect**

Items that cost less than \$5,000 could be misappropriated intentionally or not intentionally. Without taking inventory and certifying it, it is not known if all inventory has been accounted for. Replacing items cost the District funds that could be spent on educating the students.

**Cause**

Management was not aware inventory had to be certified.

**Recommendation**

We recommend a physical inventory be taken annually and certified as to its correctness. The certification should be made available to the auditors.

**Response**

We do conduct an annual inventory but have not certified it. We will certify the inventory in the future. A certification form has been created so the Administrators/Supervisors certify. It is expected this finding be corrected in FY 16-17.

The CFO is responsible for this finding and expects it will be resolved in the current fiscal year.

**2016-001 State Unemployment - Compliance and Internal Control-Significant Deficiency**

**Condition**

During our audit process we noticed that two of the New Mexico Employer's Quarterly Wage and Contribution Report (SUTA) were not submitted timely.

**Criteria**

New Mexico Department of Labor, Employment Security Division. State Unemployment (SUTA Form 903A) is due by the last day of the month following end of the quarter.

**Cause**

The District could have a 5% or \$25.00, whichever is greater (late payment); plus \$50 per return (late filing) for NM SUTA.

**Effect**

Penalties and interest will take money that could be used to educate students.

**Recommendation**

The payroll process needs more review and oversight to avoid late filed payroll reports.

**Response**

The CFO will review all payroll reports and ensure staff knows the importance of submitting reports timely.

The CFO is responsible for this finding and expects it will be resolved in the current fiscal year.

**2016-002 ERB - Compliance and Internal Control-Significant Deficiency**

**Condition**

During our testing of payroll we noted the following:

1 of the 15 employees sampled underpaid their portion to ERB by \$23.55, when projected to the 24 pay periods the total underpaid by the employee totaled \$565.14.

**Criteria**

As per ERB handbook any employee working .25 FTE or more is covered by ERB's retirement program. Employees who make over \$20,000 are required to contribute 10.7% of their gross wage.

**Cause**

The District was classifying the individual as an employee who made less than \$20,000 which then requires the employee to contribute the 7.9%.

**Effect**

Benefits were underpaid and the employee did not receive credit for the earnings at ERB.

**Recommendation**

The CFO should review the initial setup of payroll in the software system to determine if the ERB levels are appropriately marked in the system.

**Response**

The CFO will review all payroll setups immediately to correct errors in the system in the future the review process will occur before the first payroll is run. The set up will be reviewed and should be corrected/resolved in FY 16-17.

The CFO is responsible for this finding and expects it will be resolved in the current fiscal year.

**2016-003 NMPSIA-Compliance and Internal Control-Significant Deficiency**

**Condition**

10 of the 12 months show that the District did not deduct the correct amount for employees paychecks totaling \$5,335.54. The other two months had too much withheld totaling \$400.42. Calculating a total of \$4,935.12 that was not withheld from employees pay, but was paid by the District for the fiscal year.

1 of 15 employees sampled the salary reported to NMPSIA was \$20,398 does not match contract amount of \$35,605. However the employee and District percentages of 40/60 were correct on pay deduction. Another employee had 30% withheld from their pay and the District was paying 70% however based on the salary reported to NMPSIA the employee share should have been 40% and the employer should have been 60%, a difference of \$97.83 for the year.

**Criteria**

6.50.8.1 NMAC Subsection D of Section 22-29-7 NMSA 1978, directs the authority to promulgate necessary rules, regulations and procedures for the implementation of the New Mexico Public School Insurance Authority Act, Section 22-29-1 et seq. NMSA 1978.

**Cause**

The payroll process lacks adequate review or oversight allowing mistakes documented above.

**Effect**

These mistakes are costing the District money that could be used to educate the students.

**Recommendation**

The CFO should review the initial setup of payroll in the software system to determine if the NMPSIA levels are appropriately marked in the system.

**Response**

\$2640.85 of the \$4935.12 is from employee out on workers' comp, district is still liable for their share and employee paid his share. \$1752.09 was due to information not being provided timely to payroll so coverage could be terminated. The CFO will review all payroll setups immediately to correct errors in the system in the future the review process will occur before the first payroll is run.

The CFO is responsible for this finding and expects it will be resolved in the current fiscal year.

**2016-004 District Policies - Compliance and Internal Control-Significant Deficiency**

**Condition**

During our test of payroll and looking at the District's policy we noted the following:

- 1) There were no current evaluations in personnel files. After visiting with the CFO he stated that he had completed one for the payroll clerk but as far as he knows there were no evaluations performed for new employees within 90 days or anniversary date and that for employees that have been with the District over a year no evaluations were completed for the FY 15-16 school year.
- 2) Time sheets are not being signed by supervisor as per district policy.
- 3) There were a few timecards that lunch was not taken (no time out or back in) which is in violation of district policy.

4) While reviewing the personnel policies we also noted that districts policy G-6800 © GBD States that minimum wage for non-certified or support staff is \$6.00 per hour which violates federal minimum wage amount of \$7.25.

**Criteria**

1) District Policy G-8900 © GDO Evaluation of Support Staff Members states that all support personnel shall be evaluated by the appropriate supervisor or administrator. A written evaluation of effectiveness of each support staff member shall be completed during the first year of employment and not later than ninety (90) days after the first day of work. A second first-year evaluation will be no later than the anniversary date of employment. At least once each year thereafter, an evaluation will be conducted. The evaluation will be used to increase job proficiency and for recommending continued employment.

2) 3) District Policy G-8461©GDL-R which states all employees are required to take a lunch or meal break. Exceptions may be made for lunch periods per a voluntarily signed and written agreement between the employee and administrator, there was no attached documentation showing prior approval.

4) United States Department of Labor - Wage and Hour Division states "The federal minimum wage provisions are contained in the Fair Labor Standards Act (FLSA). The federal minimum wage is \$7.25 per hour effective July 24, 2009". <https://www.dol.gov/whd/minimumwage.htm>

**Cause**

The District does not have a superintendent and is in limbo. Without a leader, the District is in survival mode.

**Effect**

Violation of policies leave the District open for legal action costing the District legal fees.

**Recommendation**

Policies should be updated to correctly reflect what the District does and needs and in compliance with state law. The District should be following the policies.

**Response**

The Board will review board policy and adjust practices by the district to follow policies or change the policy to fit what the district practices and compliance with state law. The board will put forth their best efforts to have all policies updated by the end of the current fiscal year.

The Board of Education is responsible for policies in the District. The Superintendent is responsible for enforcing the policies. It is unknown when this finding will be resolved.

**2016-005 Workmen's Comp Claim and Compensated Absences-Compliance and Internal Control-Significant Deficiency**

**Condition**

The District's records had 160 hours accrued paid time off for an employee who had used all the available vacation and sick leave causing District's compensated absences to be overstated \$3,900.80. This employee was injured and receiving worker's comp benefits. The District has no records from the employee requesting to use sick or vacation time. The District also accrued both vacation and sick leave while the employee was not working and receiving worker's comp benefits. The District could not locate documentation of when the injury was reported to the immediate supervisor and if or when the superintendent filed a report with the insurance carrier which is in violation with the district policy G-1361 © GBGC-R. The District also could not provide a release letter from the doctor.

**Criteria**

District policy G-1361. © GBGC-R - Any employee who has an accident, no matter how slight, while on duty shall notify the supervisor immediately. Failure to follow this procedure could result in the loss of workers' compensation benefits. After being notified by an employee, the supervisor shall complete and submit the Report of Industrial Injury to the District office. The Superintendent, upon receiving the supervisor's report, shall, within ten (10) days after notification, submit the Report of Industrial Injury to the insurance carrier. The District's Employee Resource Manual page 66 states sick leave accrual.

**Cause**

The District does not have a superintendent and without such, there is no one to enforce the policies and procedures.

**Effect**

Injured employees could subject the District to unnecessary risk because policy and procedures were not followed. The District could payout excess compensated absences costing the District money.

**Recommendation**

Workers' comp claims must be handled correctly and compensated absences accrued correctly.

**Response**

The CFO will assist the payroll clerk in resolving the compensated absences issue. A new superintendent will be responsible for workers' comp issues.

The CFO is responsible for the compensated absences issue and it has been corrected. The superintendent is responsible for the workers' comp issue and it is unknown when this finding will be corrected.

**2016-006 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
Operational (11000)	\$ 4,473,262	\$ 1,026,143	\$ 5,502,604	\$ (3,199)
Athletics (22000)	74,055	183	76,946	(2,708)
Medicaid (25153)	28,000	55,458	94,450	(10,992)

**Criteria**

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

**Cause**

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

**Effect**

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

**Recommendation**

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

**Response**

The CFO will compare the estimated cash balance on the budget to the audited cash balance and the end of the year. If the actual cash balance is less than the estimated cash balance, a BAR will be submitted to avoid this finding.

The CFO is responsible for this finding and has resolved it.

**Financial Statement Preparation**

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

**Exit Conference**

An exit conference was held on October 12, 2016. Those present were Joseph Weathers-Board Member, Angelo Vasquez-Board Member, Ella Arellano-Principal, Joe Gonzales-Teacher, Jack Rains-Audit Committee, Miguel Martinez-Chief Financial Officer and De'Aun Willoughby, CPA.