

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
FINANCIAL STATEMENTS
FOR THE YEAR-ENDED JUNE 30, 2016



INTRODUCTORY SECTION

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MOUNTAINAIR PUBLIC SCHOOLS
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MOUNTAINAIR PUBLIC SCHOOLS
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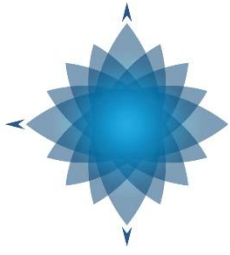
**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
OFFICIAL ROSTER
FOR THE YEAR ENDED JUNE 30, 2016**

<u>Elected Officials</u>	<u>Title</u>
Darrell Roberts	President
Eric Anaya	Vice-President
Gabe Chavez	Secretary
P.J. Lovato	Member
Frances Gonzales	Member

<u>Audit Committee</u>	<u>Title</u>
Darrell Roberts	Board Member
Frances Gonzales	Board Member
Mary Childers	Community Member
Loretta Moseley	Parent

<u>Administrative Personnel</u>	
Ron Hendrix	Superintendent
Tammy Zamora	Business Manager

FINANCIAL SECTION



Independent Auditor's Report

Timothy Keller
New Mexico State Auditor
The Board of Education and
The Audit Committee of
Mountainair Public Schools
Mountainair, New Mexico

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the budgetary comparisons for the general fund and major special revenue funds of Mountainair Public Schools (the District), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, fiduciary funds, and the budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents. We did not audit the 2015 Schedule of Employer Allocations and Pension Amounts of the State of New Mexico Educational Retirement Board (ERB), the administrator of the cost sharing pension plan for the District. The schedules and statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the District, is based solely on the report of the other auditors.

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 from 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, based on our report and the report of the other auditors, 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 Mountainair Public Schools, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund, and the fiduciary funds of the District as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the major capital project funds, debt service fund, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of proportionate share of the net pension liability and the schedule of contributions and notes to the Required Supplementary Information on pages 44-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require 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 financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

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

Integrity Accounting + Consulting, LLC

Integrity Accounting & Consulting, LLC
Albuquerque, NM

November 10, 2016

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
STATEMENT OF NET POSITION
As of June 30, 2016**

	<u>Governmental Activities</u>	<u>Totals</u>
Assets and deferred inflows of resources:		
Assets:		
Cash and equivalents, unrestricted	\$ 2,135,013	2,135,013
Cash and equivalents, restricted	4,268	4,268
Receivables		
Taxes receivable	68,465	68,465
Due from other governments	357,773	357,773
Inventories	3,114	3,114
Other assets	100	100
Total current assets	<u>2,568,733</u>	<u>2,568,733</u>
Non-current assets:		
Capital assets	12,543,272	12,543,272
Less: Accumulated depreciation	<u>(5,562,726)</u>	<u>(5,562,726)</u>
Total non-current assets	<u>6,980,546</u>	<u>6,980,546</u>
Total assets	<u>9,549,279</u>	<u>9,549,279</u>
Deferred Outflows of Resources:		
Employer contributions subsequent to the measurement date	<u>676,861</u>	<u>676,861</u>
Total deferred outflows of resources	<u>676,861</u>	<u>676,861</u>
Total assests and deferred outflows of resources	<u>\$ 10,226,140</u>	<u>10,226,140</u>
Liabilities, deferred inflows of resources and net position:		
Liabilities:		
Accounts payable	\$ 40,477	40,477
Accrued interest payable	11,862	11,862
Grants received in advance of eligibility requirements	16,964	16,964
Current portion of compensated absences	3,998	3,998
Current portion of long-term debt	<u>222,304</u>	<u>222,304</u>
Total current liabilities	295,605	295,605
Non-current liabilities		
Compensated absences	999	999
Bond underwriter premiums (net of amortization of \$1,220)	6,915	6,915
Notes payable	1,896,615	1,896,615
Net pension liability	<u>4,502,348</u>	<u>4,502,348</u>
Total non-current liabilities	<u>6,406,877</u>	<u>6,406,877</u>
Total liabilities	6,702,482	6,702,482
Deferred Inflows of Resources:		
Change in assumptions	59,384	59,384
Change in proportion	183,317	183,317
Actuarial experience	24,284	24,284
Investment experience	<u>272,355</u>	<u>272,355</u>
Total deferred inflows of resources	539,340	539,340
Net position		
Net Investment in Capital Assets	4,861,627	4,861,627
Unrestricted Net Position	<u>(1,877,309)</u>	<u>(1,877,309)</u>
Total net position	<u>2,984,318</u>	<u>2,984,318</u>
Total liabilities, deferred inflows of resources and net position:	<u>\$ 10,226,140</u>	<u>10,226,140</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

<u>Functions/programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Primary Government</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Total</u>
Primary government:						
Governmental activities						
Instruction	\$ 1,819,561	6,740	1,809,373	-	(3,448)	(3,448)
Support services - students	404,818	-	430,619	-	25,801	25,801
Support services - instruction	108,406	-	95,471	-	(12,935)	(12,935)
Support services - general admin	222,602	-	200,597	-	(22,005)	(22,005)
Support services - school admin	280,178	-	213,135	-	(67,043)	(67,043)
Central services	86,180	-	78,253	-	(7,927)	(7,927)
Operation and maintenance of plant	877,696	-	564,066	-	(313,630)	(313,630)
Student transportation	257,987	-	344,806	-	86,819	86,819
Food services operations	174,986	8,659	189,795	-	23,468	23,468
Capital Outlay	17,314	-	-	10,468	(6,846)	(6,846)
Interest expense	65,350	-	-	-	(65,350)	(65,350)
Total governmental activities	<u>\$ 4,315,078</u>	<u>15,399</u>	<u>3,926,115</u>	<u>10,468</u>	<u>(363,096)</u>	<u>(363,096)</u>
Total primary government					<u>\$ (363,096)</u>	<u>(363,096)</u>
General revenues:						
Taxes						
Property taxes levied for general purposes					53,417	53,417
Property taxes levied for debt service					288,085	288,085
Property taxes levied for capital projects					121,566	121,566
State equalization guarantee						
Interest income					1,646	1,646
Miscellaneous income					<u>27,565</u>	<u>27,565</u>
Total general revenue and transfers					<u>492,279</u>	<u>492,279</u>
Changes in net position					129,183	129,183
Beginning net position					<u>2,855,135</u>	<u>2,855,135</u>
Net position, end of year					<u>\$ 2,984,318</u>	<u>2,984,318</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
As of June 30, 2016

	Major Funds									Total Non-Major Funds	Total Funds
	General Fund			Spec Revenue			Cap Proj				
	11000	13000	14000	24101	24106	27114	31100	31700	41000		
Operational	Transportation	Instructional Materials	Title I	IDEA B - Entitlement	NM Reads to Lead	Bond Building Fund	Capital Improv SB-9	Debt Service Fund			
Assets and deferred inflows of resources:											
Assets:											
Cash and equivalents, unrestricted	\$ 100,312	13	25,283	-	170	-	1,237,972	343,081	259,132	169,050	2,135,013
Cash and equivalents, restricted	-	-	-	-	-	-	-	-	-	4,268	4,268
Receivables											
Taxes receivable	4,147	-	-	-	-	-	-	18,476	45,842	-	68,465
Due from other funds	349,451	-	-	33	-	-	-	-	-	8,909	358,393
Due from other governments	3,027	-	-	101,640	75,359	48,969	-	9,094	-	119,683	357,772
Inventories	-	-	-	-	-	-	-	-	-	3,114	3,114
Other assets	100	-	-	-	-	-	-	-	-	-	100
Total assets	<u>457,037</u>	<u>13</u>	<u>25,283</u>	<u>101,673</u>	<u>75,529</u>	<u>48,969</u>	<u>1,237,972</u>	<u>370,651</u>	<u>304,974</u>	<u>305,024</u>	<u>2,927,125</u>
Deferred Outflows of Resources:											
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>457,037</u>	<u>13</u>	<u>25,283</u>	<u>101,673</u>	<u>75,529</u>	<u>48,969</u>	<u>1,237,972</u>	<u>370,651</u>	<u>304,974</u>	<u>305,024</u>	<u>2,927,125</u>
Liabilities, deferred inflows of resources and fund balances:											
Liabilities:											
Accounts payable	\$ -	-	-	-	-	-	40,477	-	-	-	40,477
Due to other funds	3,816	-	-	101,075	79,249	48,969	-	-	-	125,284	358,393
Grants received in advance of eligibility requirements	-	-	-	-	-	-	-	-	-	16,964	16,964
Total liabilities	<u>3,816</u>	<u>-</u>	<u>-</u>	<u>101,075</u>	<u>79,249</u>	<u>48,969</u>	<u>40,477</u>	<u>-</u>	<u>-</u>	<u>142,248</u>	<u>415,834</u>
Deferred Inflows of Resources:											
"Unavailable" revenues	<u>3,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,306</u>	<u>33,195</u>	<u>-</u>	<u>49,508</u>
Total deferred inflows of resources	<u>3,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,306</u>	<u>33,195</u>	<u>-</u>	<u>49,508</u>
Fund balances:											
Nonspendable	-	-	-	-	-	-	-	-	-	3,114	3,114
Restricted	-	13	25,283	598	-	-	1,197,495	357,345	271,779	161,487	2,014,000
Unassigned	<u>450,214</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,720)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,825)</u>	<u>444,669</u>
Total fund balances	<u>450,214</u>	<u>13</u>	<u>25,283</u>	<u>598</u>	<u>(3,720)</u>	<u>-</u>	<u>1,197,495</u>	<u>357,345</u>	<u>271,779</u>	<u>162,776</u>	<u>2,461,783</u>
Total liabilities, deferred inflows of resources and fund balances:	\$ <u>457,037</u>	<u>13</u>	<u>25,283</u>	<u>101,673</u>	<u>75,529</u>	<u>48,969</u>	<u>1,237,972</u>	<u>370,651</u>	<u>304,974</u>	<u>305,024</u>	<u>2,927,125</u>

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE
TO THE STATEMENT OF NET POSITION
As of June 30, 2016**

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

Total fund balance - Governmental funds	\$ 2,461,783
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Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	6,980,546
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Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:

Delinquent property taxes not collected within sixty days after year end are not considered "available" revenues and are considered to be deferred inflows of resources in the fund financial statements, but are considered revenue in the Statement of Activities	49,508
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Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in the funds:

Deferred outflows of resources related to employer contribution subsequent to the measurement date	676,861
Deferred inflows of resources related to change in assumptions	(59,384)
Deferred inflows of resources related to change in proportion	(183,317)
Deferred inflows of resources related to actuarial experience	(24,284)
Deferred inflows of resources related to investment experience	(272,355)

Bond original issue discounts and premiums are not financial resources and, therefore, are not reported in the funds:

Bond underwriter premiums net of accumulated amortization	(6,915)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Long-term liabilities at year-end consist of:

Accrued interest expense	\$ (11,862)	
Current compensated absences	(3,998)	
Noncurrent compensated absences	(999)	
Current notes payable	(222,304)	
Noncurrent notes payable	(1,896,615)	
Net pension liability	<u>\$ (4,502,348)</u>	(6,638,126)

Rounding	<u>1</u>
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Net position for governmental activities	<u><u>\$ 2,984,318</u></u>
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The accompanying notes are an integral part of these financial statements.

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Major Funds										
	General Fund			Spec Revenue			Cap Proj				
	11000	13000	14000	24101	24106	27114	31100	31700			
Opera- tional	Transpor- tation	Instruc- tional Materials	Title I	IDEA B - Entitle- ment	NM Reads to Lead	Bond Building Fund	Capital Improv SB-9	Debt Service Fund	Total Non- Major Funds	Total Funds	
Revenues:											
Taxes											
Property	\$ 28,429	-	-	-	-	-	-	128,581	292,405	25,625	475,040
Charges for services	-	-	-	-	-	-	-	-	-	15,399	15,399
Intergovernmental revenue											
Federal grants	13,720	-	-	125,299	75,359	-	-	-	-	275,814	490,192
State grants	3,065,711	237,960	16,799	-	-	48,969	-	19,279	-	69,022	3,457,740
Interest income	1,049	-	-	-	-	-	-	-	12	586	1,647
Miscellaneous income	26,382	-	-	598	-	-	-	-	-	585	27,565
Total revenues	3,135,291	237,960	16,799	125,897	75,359	48,969	-	147,860	292,417	387,031	4,467,583
Expenditures:											
Current:											
Instruction	1,470,903	-	6,195	120,973	63,011	48,969	-	-	-	138,270	1,848,321
Support services - students	369,513	-	-	-	12,348	-	-	-	-	22,958	404,819
Support services - instruction	98,965	-	-	95	-	-	-	-	-	9,346	108,406
Support services - general admin	211,102	-	-	4,231	-	-	-	1,216	2,899	-	219,448
Support services - school admin	280,178	-	-	-	-	-	-	-	-	-	280,178
Central services	86,180	-	-	-	-	-	-	-	-	-	86,180
Operation and maintenance of plant	549,880	-	-	-	-	-	-	-	-	-	549,880
Student transportation	16,307	237,960	-	-	3,720	-	-	-	-	-	257,987
Food services operations	-	-	-	-	-	-	-	-	-	174,988	174,988
Capital outlay	-	-	-	-	-	-	278,460	108,902	-	-	387,362
Debt service											
Principal	-	-	-	-	-	-	-	-	115,000	21,902	136,902
Interest	-	-	-	-	-	-	-	-	56,889	3,677	60,566
Total expenditures	3,083,028	237,960	6,195	125,299	79,079	48,969	278,460	110,118	174,788	371,141	4,515,037
Excess (deficiency) of revenues over (under) expenditures	52,263	-	10,604	598	(3,720)	-	(278,460)	37,742	117,629	15,890	(47,454)
Other financing sources (uses):											
Total other financing sources (uses):	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	52,263	-	10,604	598	(3,720)	-	(278,460)	37,742	117,629	15,890	(47,454)
Beginning fund balance	397,951	13	14,679	-	-	-	1,475,955	319,603	154,150	146,886	2,509,237
Ending fund balance	\$ 450,214	13	25,283	598	(3,720)	-	1,197,495	357,345	271,779	162,776	2,461,783

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
As of June 30, 2016**

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

Total net change in fund balances-governmental funds	\$	(47,454)
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Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimates useful lives and reported as depreciation expense.

Capital expenditures recorded as capital outlay or other expenses		378,414
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Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore depreciation expense is not reported as expenditure in governmental funds.

		(328,629)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred inflows of resources related to property taxes receivable		(11,970)
Change in deferred inflows of resources related to grants		(11,348)

The issuance of long-term debt (e.g. bonds, notes, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

(Increase)/decrease in noncurrent and current compensated absences		(3,156)
Amortization of bond premiums		814
(Increase)/decrease in accrued interest		(4,784)
Principal payments on long-term debt		136,902

Expenditures in the statement of activities that do not provide current financial resources are not reported as expenditures in the funds

Governmental funds report District pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense:

Employer contributions subsequent to the measurement date		271,868
Pension expense		<u>(251,474)</u>

Change in net position of governmental activities	\$	<u><u>129,183</u></u>
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**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
GENERAL FUND - OPERATIONAL
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016**

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes				
Property	\$ 26,868	26,868	27,794	926
Intergovernmental revenue				
Federal grants	-	6,462	10,693	4,231
State grants	3,075,241	3,074,322	3,065,711	(8,611)
Interest income	-	-	1,049	1,049
Miscellaneous income	-	-	26,382	26,382
Total revenues	3,102,109	3,107,652	3,131,629	23,977
Expenditures:				
Current:				
Instruction	1,637,759	1,636,840	1,475,540	161,300
Support services - students	355,778	355,778	369,513	(13,735)
Support services - instruction	97,446	97,446	98,965	(1,519)
Support services - general admin	246,867	246,867	211,102	35,765
Support services - school admin	277,236	277,236	280,178	(2,942)
Central services	105,244	105,244	86,180	19,064
Operation and maintenance of plant	704,543	704,543	549,880	154,663
Student transportation	33,708	40,170	16,307	23,863
	3,458,581	3,464,124	3,087,665	376,459
Excess (deficiency) of revenues over (under) expenditures	(356,472)	(356,472)	43,964	(352,482)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(356,472)	(356,472)	43,964	(352,482)
Budgeted cash carryover	356,472	356,472		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 43,964	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			3,663	
Adjustments to expenditures for accrued wages and expenditures			4,636	
Net change in fund balance (GAAP)			\$ 52,263	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
GENERAL FUND - TRANSPORTATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Taxes				
Intergovernmental revenue				
State grants	\$ 288,364	237,960	237,960	-
Total revenues	288,364	237,960	237,960	-
Expenditures:				
Current:				
Student transportation	288,364	237,960	237,960	-
	288,364	237,960	237,960	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	-	-
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue for tax accruals and other miscellaneous revenue accr			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
GENERAL FUND - INSTRUCTIONAL MATERIALS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 14,567	14,567	16,799	2,232
Total revenues	14,567	14,567	16,799	2,232
Expenditures:				
Current:				
Instruction	14,567	14,567	6,195	8,372
	14,567	14,567	6,195	8,372
Excess (deficiency) of revenues over (under) expenditures	-	-	10,604	(6,140)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	10,604	(6,140)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 10,604	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ 10,604	

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
TITLE I - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016**

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 203,444	238,226	195,592	(42,634)
Miscellaneous income	-	-	598	598
Total revenues	203,444	238,226	196,190	(42,036)
Expenditures:				
Current:				
Instruction	191,176	225,958	120,973	104,985
Support services - instruction	3,470	3,470	95	3,375
Support services - general admin	8,798	8,798	4,231	4,567
	203,444	238,226	125,299	112,927
Excess (deficiency) of revenues over (under) expenditures	-	-	70,891	(154,963)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	70,891	(154,963)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 70,891	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(70,293)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ 598	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
IDEA B - ENTITLEMENT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Intergovernmental revenue				
Federal grants	\$ 70,372	87,668	70,607	(17,061)
Total revenues	<u>70,372</u>	<u>87,668</u>	<u>70,607</u>	<u>(17,061)</u>
Expenditures:				
Current:				
Instruction	57,847	75,143	63,011	12,132
Support services - students	12,525	12,525	12,348	177
Student transportation	-	-	3,720	(3,720)
	<u>70,372</u>	<u>87,668</u>	<u>79,079</u>	<u>8,589</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,472)	(25,650)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	<u>(8,472)</u>	<u>(25,650)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (8,472)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			4,752	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ (3,720)</u>	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NM READS TO LEAD K-3 - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue				
State grants	\$ 50,000	50,000	45,400	(4,600)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>45,400</u>	<u>(4,600)</u>
Expenditures:				
Current:				
Instruction	<u>50,000</u>	<u>50,000</u>	<u>48,969</u>	<u>1,031</u>
	<u>50,000</u>	<u>50,000</u>	<u>48,969</u>	<u>1,031</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(3,569)	(5,631)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	<u>(3,569)</u>	<u>(5,631)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (3,569)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			3,569	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ -</u>	

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
As of June 30, 2016**

	<u>2016</u>
Assets:	
Cash	\$ <u>45,567</u>
Total assets	\$ <u><u>45,567</u></u>
Liabilities:	
Held for others	\$ <u>45,567</u>
Total liabilities	\$ <u><u>45,567</u></u>

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Reporting Entity

The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body, and either it is able to impose its will on that organization, or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens, on the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB-14. The first criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters.

A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships,

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the District has no component units and is not a component unit of another governmental agency.

B. Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-Wide Financial Statements

The District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental Activities for the District accompanied by a total column. Fiduciary activities of the District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the District include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements.

The District reports the general fund as a major governmental fund. The general fund is comprised of three separate sub-funds. These are as follows:

The *Operational Fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are provided by district school tax levy, state equalization and earnings from investments. Expenditures include all costs associated with the daily operations of the schools except for those items included in other funds.

The *Transportation Fund* is used to account for the state equalization received from the State Public Education Department which is used to pay for the costs associated with transporting school age children.

The *Instructional Materials Fund* is used to account for the monies received from the State Public Education Department for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students.

In addition, the District reports the following other major funds:

Special Revenue Fund – The *Title I Fund* is used to account for grant funds to be used for the purpose of improving educational opportunities for educationally deprived children. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Special Revenue Fund – The *IDEA-B Entitlement Fund* is used to account for resources provided to the school for the purpose of meeting the educational needs of the handicapped. Funding authorized by Individuals with Disabilities Education Act, Part B, Section 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.

Special Revenue Fund – The New Mexico Reads to Lead - K-3 Reading Initiative fund is legislatively funded. The authority is the State of New Mexico Public Education Department.

Capital Projects Fund – The *Bond Building Fund* is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District. Authority for the creation of this fund is the New Mexico Public Education Department.

Capital Projects Fund – The *Capital Improvements SB-9 Fund* is used to account for the revenue derived from a district tax levy and matched by the state. Expenditures are restricted to capital improvements. Authority for the creation of this fund is the New Mexico Public Education

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

Department.

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

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The District’s deferred outflows of resources and deferred inflows of resources are noncurrent. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The District’s fiduciary funds are Agency Funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency funds are accounted for on a spending or “economic resources” measurement focus and the accrual basis of accounting as are the proprietary funds explained above. The District’s Agency Funds are comprised of the High School and Elementary School Activities funds which are used to account for funds generated by and used for programs and events that are specific to each school.

C. Assets, Liabilities and Equity

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

acquisition. The District pools idle cash from its governmental funds for the purpose of increasing income through investment activities. A "Pooled Cash" concept is used in maintaining the cash and investment accounts in the accounting records. Under this method, all governmental fund cash is pooled for investment purposes and each fund has "equity" in the pooled amount. All amounts included in pooled cash and investments are considered to be cash equivalents for the purposes of the statement of cash flows, except for certificates of deposit or other investments that have original maturities of more than 90 days. Additional cash and investment information are presented in Note 2.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." In governmental fund financial statements, advances between funds are offset by an amount reported as nonspendable fund balance to indicate that they are not available for appropriation and are not expendable available financial resources.

Receivables from and payables to external parties are reported separately and are not offset in the proprietary fund financial statements and business-type activities of the government-wide financial statements, unless a right of offset exists.

Accounts receivable consist of receivables from grantors and property taxes. Estimated uncollectible accounts are not material and therefore the District has not established an allowance for doubtful accounts.

Inventories and Prepaid Items

Inventories in governmental consist of purchased food and non-food items and United States Department of Agriculture (USDA) commodities, and are valued at cost using a first-in, first-out (FIFO) method. Expendable supplies are accounted for using the consumption method.

<u>Type</u>	<u>Amount</u>
Food service items	\$ 3,114

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. As of June 30, 2016, the District does not have any prepaid items

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The District has a collection of library books which have been capitalized and are depreciated as a group.

Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets, (retroactive to 1979) are included as part of the governmental capital assets reported in the government wide statements. Information technology equipment including software is being capitalized and included in machinery and equipment in accordance with NMAC 2.20.1.9 C (5). Donated capital assets are recorded at estimated fair market value at the date of donation. Capital assets that have been disposed of are recorded as deletions on the government-wide financial statements. Accumulated depreciation is adjusted for all deletions.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The total interest expense capitalized by the District during the current fiscal year was \$0. No interest was included as part of the cost of capital assets under construction.

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

<u>Asset Type</u>	<u>Years</u>
Land	Perpetuity
Construction in progress	Perpetuity
Land improvements	20
Buildings and improvements	40
Machinery and equipment	3 - 10
Library books	10

Amounts due from Grantors

Under both the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. If assets are recognized in connection with a transaction before the earnings process is complete, those assets must be offset by a corresponding liability for grants received in advance of meeting eligibility requirements (commonly referred to as unearned revenue). The other type of deferred inflow is “unavailable revenue.” Under the modified accrual basis of accounting, it is not enough that revenue has been earned if it is to be recognized as revenue of the current period. It must also be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period). If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows.

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Deferred Outflows of Resources

In addition to assets, the balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a use of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until that time. The District has three types of items that qualify for reporting in this category. Accordingly, the items, employer contributions subsequent to measurement date, \$271,868; difference between expected and actual investment experience, \$250,133; and changes resulting from actuarial assumptions, \$154,860 are reported on the Statement of Net Position. These amounts are deferred and recognized as an outflow of resources in the period the amounts becomes available.

Deferred Inflows of Resources

In addition to liabilities, the balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Revenue must be susceptible to accrual (measurable and available to finance expenditures of the current fiscal period) to be recognized. If assets are recognized in connection with a transaction, but those assets are not yet available to finance expenditures of the current fiscal period, then the assets must be offset by a corresponding liability for deferred inflows of resources.

The District has two types of items which arises under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the items, unavailable revenue – property taxes and unavailable revenue - grants, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The District has recorded \$49,508 related to property taxes that are considered “unavailable”.

In addition, the District has three types of items present on the Statement of Net Position which arise due to the implementation of GASB 68 and the related net pension liability. Accordingly, the items, changes in proportion and differences between District contributions and proportionate share of contributions, \$183,317; difference between expected and actual investment experience, \$272,355; changes resulting from actuarial assumptions, \$59,384; and net difference between projected and actual experience, \$24,284 are reported on the Statement of Net Position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Full-time employees of the District are granted annual leave benefits in varying amounts to specified maximums depending on their contracts with the District. It is the District's policy to permit the Superintendent to carry over accumulated unused annual leave from one year to another, however the amount of annual leave carry over cannot exceed 40 hours. No other employees are permitted to carry-over annual leave at this time. The Superintendent's

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accumulated unused annual is payable upon retirement or termination from employment. The Superintendent's leave is accrued when incurred in the government-wide financial statements. A liability for compensated absences is not reported in the governmental fund balance sheet unless it was actually due and payable at year end for payments due to retired or terminated employees.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities section of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed in the period in which they are incurred.

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

Fund Balance

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy based primarily on the extent to which the organization is bound to honor constraints on the specific purpose for which amounts in the funds can be spent.

Governmental Fund Financial Statements. In accordance with GASBS No. 54, the District classifies fund balances in the governmental funds as follows:

Nonspendable Fund Balance includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal/contractual requirements. Examples are Prepaid Expenses and Inventory.

Spendable Fund Balance includes Restricted, Committed, Assigned, and Unassigned designations:

Restricted includes fund balance amounts that are limited for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed includes fund balance amounts that are obligated to a specific purpose which are internally imposed by the government through formal action (Ordinances and Resolutions) at the highest level of decision making authority (Board of Education). These commitments can only be overturned by a like action.

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Assigned includes spendable fund balance amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the Board of Education or Superintendent for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the Board of Education at any public meeting.

Unassigned includes residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

See the Schedule of Fund Balances on page 80 for additional information about fund balances.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources (committed, assigned, and unassigned) as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in the General Fund, it is the District's policy to use unassigned resources first, then assigned, and then committed as needed. When unrestricted resources (committed, assigned, and unassigned) are available for use in any other governmental fund, it is the District's policy to use committed resources first, then assigned, and then unassigned as needed.

The District does not have a formal minimum fund balance requirement.

Net Position

Government-wide Financial Statements. The District classifies net position in the government-wide and proprietary fund financial statements as follows:

Net Investment in Capital Assets includes the District's capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position includes assets that have third-party (statutory, bond covenant, or granting agency) limitations on their use. The District typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a future project.

Unrestricted Net Position typically includes unrestricted liquid assets. The District's Board of Education has the authority to revisit or alter this designation.

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D. Revenues/Expenses

Property Tax

The District receives mill levy and ad-valorem tax revenues from Socorro and Torrance counties primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1st of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following year with the levies becoming delinquent 30 days (one month) thereafter.

The District recognizes tax revenues in the period for which they are levied in the government-wide financial statements. The District records only the portion of the taxes considered 'measurable' and 'available' in the governmental fund financial statements. The District recognized \$475,039 in tax revenues in the governmental fund financial statements during the year ended June 30, 2016. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

State Equalization Guarantee

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education, 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The district received \$3,065,711 in state equalization guarantee distributions during the year ended June 30, 2016.

Transportation Distribution

School districts in the State of New Mexico received student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$237,960 in transportation distributions during the year ended June 30, 2016.

Instructional Materials

The New Mexico Public Education Department (PED) receives federal mineral leasing funds from which it makes annual allocations to the various school districts for the purchase of

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educational materials. Of each allocation, fifty percent is restricted to the purchase of materials listed in the PED "Multiple List", while fifty percent of each allocation is available for purchases directly from vendors. The district had allocations allowed by the State for the current year of \$16,799. The full amount of allocations used to purchase textbooks during the year was \$6,196. Allocations received and utilized are reflected in revenue and expenditures of the General Fund.

Federal Grants

The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program is operated under its own budget, which has been approved by the Federal Department or the flow-through agency (usually the New Mexico Public Education Department). The various budgets are approved by the Local School Board and the New Mexico Public Education Department.

The District also receives revenues from Federal departments which are unrestricted to expenditures for special purposes. These revenues are reported in the Operational Fund.

Indirect Costs

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

E. 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 Plan (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.

F. Inter-Fund Transactions

Interfund activity is reported as loans, services provided, reimbursements, or transfers.

Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

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Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. Income Taxes

As a local government entity, the District is not subject to federal or state income taxes. The District is generally no longer subject to examination by federal and state taxing authorities for years prior to 2013. For the year ended June 30, 2016, no interest or penalties were recorded or included in the financial statements.

H. Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

The District adopts budgets for each individual fund. Budgets are prepared by management and are approved by the local Board of Education and the Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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

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

1. Prior to April 15, (unless a later date is fixed by the Secretary of the Public Education Department) the local school board submits to the School Budget Planning Unit (SBPU) of the New Mexico Public Education Department an estimated budget for the school 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 Public Education Department by the school district shall contain headings and details as prescribed by law.
2. Prior to June 20, of each year, the proposed operating budget will be reviewed and approved by the SBPU and certified and approved by the local school board at a public hearing of

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which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.

The operating budget will be used by the District until it has been notified that the budget has been approved by the SBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.

3. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the SBPU.
4. No school board or officer or employee of a school district shall make any expenditures or incur any obligation for the expenditure 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.
5. 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 school district and approved by the SBPU.
6. 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 any amendments.

Budgetary Compliance – Budgetary control is required to be maintained at the individual function/fund level.

Actual fund revenues may be either over or under the budgeted amounts; however, the variance is required to be reasonable, particularly in the case of over-budgeted revenues. Major over-budgeted revenues require a budget amendment as soon as the extent of the shortage is reasonably ascertainable.

Budget Amendments – Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series', this may be accomplished with only local Board of Education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

Budgetary Basis – State law prescribes that the District's budget be prepared on the basis of cash receipts and cash expenditures. Therefore, budgetary comparisons shown in exhibits are prepared on a cash basis to compare actual revenues and expenditures with a cash basis budget as amended.

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The accompanying Statements of Revenue, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual present comparisons of the legally adopted budget with actual data on a budgetary basis.

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) a reconciliation of resultant basis, perspective, equity and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016 is presented. Reconciliations between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis by fund can be found on each individual budgetary statement.

NOTE 3 – CASH AND CASH EQUIVALENTS

The District's cash balances consist of demand deposits and interest bearing savings accounts. The majority of District's cash and cash equivalents in the governmental funds are pooled. All interest income is accounted for in the related funds. The District does not have a deposit policy. The District's cash and cash equivalents are listed on pages 81 of this report.

The following is a summary of the District's cash and cash equivalents balances by fund type as of June 30, 2016:

Fund Type	Amount
Cash and equivalents	
Governmental funds	\$ 2,139,281
Fiduciary funds	45,567
Total cash and cash equivalents	\$ 2,184,848

Certain of the District's cash balances are restricted for the following purposes:

Fund Type	Amount
Debt service fund:	
Debt service reserve	\$ 9
EE & RE bonding act fund - Non-major spec rev fund	
Debt service reserve	4,330
Total restricted cash and equivalents	\$ 4,339

Custodial Credit Risk Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District funds may not be returned. The District does not have a deposit policy for custodial credit risk, other than state statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978.)

State regulations require that uninsured demand deposits and deposit-type investments such as certificates of deposit be collateralized by the depository thrift or banking institution. At present, state statutes require that a minimum of fifty percent of uninsured balances on deposit with anyone

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institution must be collateralized, with higher requirements up to 102% for financially troubled institutions.

Based on the above, the District is required to obtain from each bank that is a depository for public funds pledged collateral in an aggregate amount equal to 50% of the public money in each account. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency or political subdivision of the State of New Mexico. The District's Schedule of Collateral is presented on page 82 of this report.

As of June 30, 2016, the District's bank balances of \$2,570,619 were exposed to custodial credit risk as follows:

Insured through federal depository insurance	\$ 250,000
Uninsured, collateralized with securities held by pledging financial institution's trust department or agent in the District's name.	1,560,008
Uninsured and uncollateralized	<u>637,366</u>
Total uninsured deposits	<u>\$ 2,447,374</u>

NOTE 4 – RECEIVABLES

Receivables as of June 30, 2016 are as follows:

Governmental Activities

	<u>Oper</u>	<u>Title I</u>	<u>IDEA B - Entitle- ment</u>	<u>NM Reads to Lead</u>	<u>Capital Improv SB-9</u>	<u>Debt Service Fund</u>	<u>Non- Major Funds</u>	<u>Total</u>
Taxes:								
Property	\$ 4,147	-	-	-	18,476	45,842	-	68,465
State	-	-	-	-	-	-	-	-
Other intergovernmental	3,027	101,640	75,359	48,969	9,094	-	119,684	357,773
Interest	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Subtotal	<u>7,174</u>	<u>101,640</u>	<u>75,359</u>	<u>48,969</u>	<u>27,570</u>	<u>45,842</u>	<u>119,684</u>	<u>426,238</u>
Less: Allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Receivables	<u>\$ 7,174</u>	<u>101,640</u>	<u>75,359</u>	<u>48,969</u>	<u>27,570</u>	<u>45,842</u>	<u>119,684</u>	<u>426,238</u>

Estimated uncollectible accounts are not material and therefore the District has not established an allowance for doubtful accounts.

In accordance with GASB No. 33, property tax revenues totaling \$49,508, which were not collected within the period of availability, have been reclassified as deferred inflows of resources in the governmental fund financial statements.

NOTE 5 – INTERFUND BALANCES AND TRANSFERS

The District records interfund transfers to reflect activity occurring between funds. Transfers and payments within the District are substantially for the purpose of subsidizing operating functions and funding various projects within the District. The District did not make any interfund transfers during the year ended June 30, 2016:

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The District recorded interfund receivables/payables to reflect temporary loans between funds. The purpose of the loans were to cover cash shortages until grant reimbursements or other funding measures could be obtained. All interfund balances are expected to be repaid within one year. Interfund balances as of June 30, 2016, are as follows:

	Interfund Receivables	Interfund Payables
Major funds		
General fund	\$ 349,451	3,816
Title I fund	33	101,075
IDEA B entitlement	-	79,249
NM Reads to Lead	-	48,969
Nonmajor funds		
Special revenue funds	8,909	125,284
	\$ 358,393	358,393

NOTE 6 – CAPITAL ASSETS

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows.

	Balance 06/30/15	Additions	Deletions	Balance 06/30/16
GOVERNMENTAL ACTIVITIES				
Non-depreciable capital assets:				
Land	\$ 57,583	-	-	57,583
Construction in progress	-	278,130	-	278,130
Total non-depreciable capital assets	57,583	278,130	-	335,713
Capital assets being depreciated:				
Land improvements	798,780	75,638	-	874,418
Buildings and improvements	9,530,078	-	-	9,530,078
Machinery and equipment	1,304,062	24,646	-	1,328,708
Library books	474,356	-	-	474,356
Total capital assets being depreciated	12,107,276	100,284	-	12,207,560
Less accumulated depreciation for:				
Land improvements	(354,634)	(44,878)	-	(399,512)
Buildings and improvements	(3,474,629)	(203,688)	-	(3,678,317)
Machinery and equipment	(1,008,279)	(61,575)	-	(1,069,854)
Library books	(396,556)	(18,488)	-	(415,044)
Total accumulated depreciation	(5,234,098)	(328,629)	-	(5,562,727)
Total capital assets being depreciated	6,873,178	(228,345)	-	6,644,833
Total capital assets, net of depreciation	\$ 6,930,761	49,785	-	6,980,546

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Land and construction in progress are not subject to depreciation. Depreciation expense for the year ended June 30, 2016 was charged to the following functions and funds:

Governmental activities:	
Operation and maintenance of plant	\$ <u>328,629</u>
Total governmental activities	\$ <u><u>328,629</u></u>

NOTE 7 – LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2016, was as follows:

	<u>Balance</u> <u>June 30, 2015</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Amount due</u> <u>within one</u> <u>year</u>
Governmental funds debt					
Compensated absences	\$ 1,841	8,303	(5,147)	4,997	3,998
Bonds payable	<u>2,255,821</u>	<u>-</u>	<u>(136,902)</u>	<u>2,118,919</u>	<u>222,304</u>
Total governmental activities	\$ <u><u>2,257,662</u></u>	<u><u>8,303</u></u>	<u><u>(142,049)</u></u>	<u><u>2,123,916</u></u>	<u><u>226,302</u></u>

Long-term liabilities are liquidated from the general fund and special revenue funds. No short-term debt was incurred during fiscal year 2016.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. The original amount of the outstanding general obligation bonds as of June 30, 2016 was \$3,163,668. General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. All general obligation bonds as of June 30, 2016 are for governmental activities. In prior years, the general fund was typically used to liquidate long-term liabilities other than general obligation bonds.

Bonds outstanding at June 30, 2016, are comprised of the following:

<u>Series</u>	<u>Date of</u> <u>Issue</u>	<u>Date of</u> <u>Maturity</u>	<u>Original</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Balance</u>	<u>Due Within</u> <u>One Year</u>
2007	5/11/2007	5/1/2016	\$ 750,000	2.72-2.82%	-	-
2008	10/15/2008	10/15/2017	550,000	3.85-5.00%	335,000	200,000
2012	1/13/2012	5/1/2027	363,668	1.27%	283,919	22,304
2014	10/27/2014	10/27/2024	<u>1,500,000</u>	2.20-3.00%	<u>1,500,000</u>	-
			<u><u>\$ 3,163,668</u></u>		<u><u>2,118,919</u></u>	<u><u>222,304</u></u>

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

Series 2008

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 200,000	9,635	209,635
2018	<u>135,000</u>	<u>2,767</u>	<u>137,767</u>
Total	<u>\$ 335,000</u>	<u>12,402</u>	<u>347,402</u>

Series 2012

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 22,304	3,553	25,857
2018	22,779	3,399	26,178
2019	23,325	3,211	26,536
2020	23,944	2,992	26,936
2021	24,639	2,741	27,380
2022-2026	136,443	8,685	145,128
2027-2031	<u>30,485</u>	<u>493</u>	<u>30,978</u>
Total	<u>\$ 283,919</u>	<u>25,074</u>	<u>308,993</u>

Series 2014

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ -	40,360	40,360
2018	105,000	38,785	143,785
2019	180,000	34,510	214,510
2020	190,000	28,960	218,960
2021	195,000	23,965	218,965
2022-2026	<u>830,000</u>	<u>45,640</u>	<u>875,640</u>
Total	<u>\$ 1,500,000</u>	<u>212,220</u>	<u>1,712,220</u>

Total payment requirements

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 222,304	53,548	275,852
2018	262,779	44,951	307,730
2019	203,325	37,721	241,046
2020	213,944	31,952	245,896
2021	219,639	26,706	246,345
2021-2025	966,443	54,325	1,020,768
2026-2030	<u>30,485</u>	<u>493</u>	<u>30,978</u>
Total	<u>\$ 2,118,919</u>	<u>249,696</u>	<u>2,368,615</u>

NOTE 8 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public School Insurance Authority (NMPSIA) was formed under the New Mexico Public Schools Insurance

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Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA.

Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or reinsurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2016.

NOTE 9 – PENSION PLAN – EDUCATIONAL RETIREMENT BOARD

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

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

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

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

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

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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.

Contributions. The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal year ended June 30, 2015 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. For fiscal year ended June 30, 2016 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$271,868 for the year ended June 30, 2016.

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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, 2015. The employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District's reported a liability of \$4,502,348 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District's proportion was 0.06987 percent, which was a decrease of 0.00036 from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$248.293. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	24,284
Changes of assumptions	154,860	59,384
Net difference between projected and actual earnings on pension plan investments	250,133	272,355
Changes in proportion and differences between District contributions and proportionate share of contributions	-	183,317
District contributions subsequent to the measurement date	271,868	
	\$ 676,861	539,340

271,868 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense, as follows:

Year ended June 30:	
2017	\$ (104,467)
2018	(91,484)
2019	1,225
2020	60,379
2021	-
Thereafter	-
Total	\$ (134,347)

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. Specifically, the liabilities measured as of June 30, 2014 incorporate the following assumptions:

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1. All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014, and
5. For the 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 Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates
Mortality	90% of RP-2000 Combined Mortality Table with White Collar Adjustment projected to 2014 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key

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economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.).

Discount rate: A discount rate of 7.75% was used to measure the total ERB pension liability as of June 30, 2015. This 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 presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the net pension liability	\$ 6,058,210	4,502,348	3,195,262

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

Payables to the pension plan. The District remits the legally required employer and employee contributions on a monthly basis to ERB. The ERB requires that the contributions be remitted by the 15th day of the month following the month for which contributions are withheld. At June 30, 2016 no amounts were due to the ERB.

NOTE 10 – POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN

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

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responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long term care policies.

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

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

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

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, 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, 2016, 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,

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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 \$38,258, \$39,056 and \$37,741, respectively, which equal the required contributions for each year.

NOTE 11 – NON-CASH FEDERAL ASSISTANCE

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2016 was \$11,964.

NOTE 12 – FUND DEFICITS AND NON-COMPLIANCE

Deficit Fund Balances

The District reported a deficit fund balance at June 30, 2016 in the following funds:

<u>Fund</u>	<u>Fund Type</u>	<u>Amount</u>
IDEA B - Entitlement	Major sepcial revenue	\$ (3,720)
Student Library SB-66 Fund	Non-major sepcial revenue	(985)
K-3 Plus	Non-major sepcial revenue	(840)
Total governmental funds		<u>\$ (5,545)</u>

Legal Compliance with Budget

No funds of the District exceeded approved budgetary authority at the fund level for the year ended June 30, 2016.

NOTE 13 – CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2016, significant amounts of grant expenditures have not been audited by the grantor agencies.

Management believes that any disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds of the overall financial position of the District.

The District is involved in various claims and lawsuits arising in the normal course of business. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on

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FOR THE YEAR ENDED JUNE 30, 2016**

the financial condition of the District.

NOTE 14 – CONCENTRATIONS

The District depends on financial resources flowing from, or associated with, both the Federal Government and the State of New Mexico. Because of this dependency, the District is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State Appropriations.

NOTE 15 – COMMITMENTS

Commitments for Construction projects relating to construction or major repairs in progress aggregated approximately \$3,000,000 as of June 30, 2016. The total amount spent as of June 30, 2016 on the projects was \$278,130. These projects will be paid in future periods as work is performed. Payment will be made with proceeds remaining from debt issuances, operating revenues, and future grants to be received.

NOTE 16 – SURETY BOND

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

NOTE 17 – JOINT VENTURE

Mountainair Public Schools is a member of Central Region Educational Cooperative, which was established by the New Mexico State Board of Education. This REC operates as an agency for school districts and provides cooperative services as its primary service. The REC administers several federal award programs for municipal schools. Central Region Educational Cooperative issues a separate, publicly available audited financial report that includes expenditures of federal awards and supplementary information. That report may be obtained by writing Central Region Educational Cooperative, P.O. Box 37440, Albuquerque, NM 87176.

NOTE 18 – RELATED PARTIES

Due to the size of the district and surrounding community, in the ordinary course of business, the District has and expects to continue to have transactions with its employees and elected officials. In the opinion of management, such transactions were on substantially the same terms, including interest rates, and collateral, as those prevailing at the time of comparable transactions with other persons and did not involve more than a normal risk of collectability or present any other unfavorable features to the District.

The District has entered into a contract for providing bus services with a company owned and operated by a member of the Board of Education. The contract is for one year ending June 30, 2016 and is not to exceed \$28,715. No amounts were due or remaining on the contract as of June 30, 2016.

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016**

NOTE 19 – EVALUATION OF SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 10, 2016, the date which the financial statements were available to be issued.

NOTE 21 – SUBSEQUENT ACCOUNTING STANDARD PRONOUNCEMENTS

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which is effective for financial statements for fiscal years beginning after June 15, 2016. This pronouncement will not affect the District.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which is effective for fiscal years beginning after June 15, 2017. The standard will be implemented during the fiscal year ended June 30, 2018. The District expects this pronouncement to have a material effect on the financial statements.

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*, which are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged. The District will implement this standard during the fiscal year ended June 30, 2017. The District is still evaluating how this pronouncement will affect the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
Educational Retirement Board (ERB) Plan
Last 10 Fiscal Years***

	<u>2016</u>	<u>2015</u>
Mountainair Public School's proportion of the net pension liability (asset)	0.06951%	0.06987%
Mountainair Public School's proportionate share of the net pension liability (asset)	\$ 4,502,348	3,986,585
Mountainair Public School's covered-employee payroll	\$ 1,897,846	1,983,187
Mountainair Public School's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	237.23%	201.02%
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

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

See notes to required supplementary information.

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
Educational Retirement Board (ERB) Plan
Last 10 Fiscal Years***

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 313,456	275,663
Contributions in relation to the contractually required contribution	<u>273,305</u>	<u>275,663</u>
Contribution deficiency (excess)	<u>\$ 40,151</u>	<u>-</u>
District's covered-employee payroll	\$ 1,897,846	1,983,187
Contributions as a percentage of covered-employee payroll	14.40%	13.90%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the (name of employer) will present information for those years for which information is available.

See notes to required supplementary information.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016**

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

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

1. Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.25% to 3.75%
 - b. Update the mortality tables to incorporate generational improvements
 - c. Update demographic assumptions to use currently published tables, which may result in minor calculation changes
 - d. Remove population growth assumption for projections
 - e. Lower population growth from .50% to zero (no impact on valuation results)

2. Assumptions that were not changed:
 - a. Inflation will remain at 3.00%
 - b. Real investment return will remain at 4.75%
 - c. Investment return will remain at 7.75%
 - d. COLA assumption remains a 2.00% per year
 - e. Maintain current payroll growth assumption of 3.50%
 - f. Maintain experience-based rates for members who joined NMERB by June 30, 2010
 - g.

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

SUPPLEMENTAL INFORMATION

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

NON-MAJOR SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Special Revenue Funds are used to account for the proceeds of specific revenue sources which are legally restricted to expenditures for specific purposes. Grants accounted for in the Special Revenue Funds include:

Food Service - This fund is utilized to account for the cost of operating a student breakfast, lunch, snack bar and summer lunch program and is financed with federal grants and fees paid by program users. Authority for the creation of this fund is NMSA 22-13-13.

Athletics - This fund is used to account for income from gross receipts and other proceeds from school athletic events and to provide for the payment of operating expenses of those activities. The authority for creation of this fund is 6.20.2 NMAC.

Non-Instructional Support - To account for budgeted revenues and expenditures which relate to student activities other than athletics. Authority for the creation of this fund is the New Mexico Public Education Department.

IDEA-B Preschool - The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446)

Fresh Fruits and Vegetables-To account for resources provided to combat childhood obesity by helping children learn healthier eating habits. The program is used primarily to purchase unique fresh fruit and vegetables and must be made available to all students. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

IDEA-B Reallocation - The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446)

IDEA-B Results Plan - The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Authorized by the Individuals with Disabilities Education Act of 2004, Title I, Part B (Public Law 108-446)

Teacher/Principal Training and Recruitment- To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. Authorized by the Elementary and Secondary Education Act of 1965, as amended by the No Child Left Behind Act of 2001, Title II, Part A, Sec. 2101-2151 (Public Law 107-110)

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MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

Title XIX Medicaid 3/21 Years - To account for funds to provide 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. Authority for creation of this fund is the New Mexico Public Education Department.

Rural Education Achievement Program - The objective is to provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The Elementary and Secondary Education Act of 1965 (ESEA, Title VI, Part B, as amended).

Dual Credit Instructional Materials - To purchase college textbooks for students who dual enroll in college credited courses while still attending high school. Authority is the State of New Mexico Public Education Department.

Student Library SB-66 Fund – To account for funds provided to be used for library resource acquisitions, including library books for public school libraries. Authority for the creation of this fund is the New Mexico Public Education Department.

Pre-K Initiative – To account for legislative appropriations for the purpose of providing high quality Pre-K services that align to NM Pre-K standards to underserved 4-year-olds in the District. To expand early childhood educational capacity so that all families of 4-year-olds in the district who want to enroll their child in a high quality Pre-K program can do so, regardless of income or ethnicity. Authority for the creation of this fund is the New Mexico Public Education Department.

Breakfast for Elementary Students - To account for legislative appropriations to implement Breakfast in the Classroom for elementary schools in need of improvement based on AYP designation. Authority for the creation of this fund is the New Mexico Public Education Department.

K-3 Plus – To account for funds used to demonstrate that increased time in kindergarten and the early grades narrows the achievement gap between disadvantaged students and other students, increases cognitive skills and leads to higher test scores for all participants. The authority is the State of New Mexico Public Education Department.

NM Arts Grant - To account for funds used for art given by the State of New Mexico. Authority is the State of New Mexico, Public Education Department

Energy Efficiency and Renewable Energy Bonding Act (EF & RE) Fund – Used to account for funds to provide or improve energy efficiency and renewable energy measures at existing facilities.

CYFD Summer Lunch - This grant is to account for summer lunches for school age children in the district area. Funding authority is the State of New Mexico Public Education Department.

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
As of June 30, 2016**

	Special Revenue Funds	Total
Assets and deferred inflows of resources:		
Assets:		
Cash and equivalents, unrestricted	\$ 169,050	169,050
Cash and equivalents, restricted	4,268	4,268
Receivables		
Due from other funds	8,909	8,909
Due from other governments	119,683	119,683
Inventories	3,114	3,114
Total assets	305,024	305,024
Deferred Outflows of Resources:		
Total deferred outflows of resources	-	-
Total assets and deferred outflows of resources	\$ 305,024	305,024
Liabilities, deferred inflows of resources and fund balances:		
Liabilities:		
Due to other funds	\$ 125,284	125,284
Grants received in advance of eligibility requirements	16,964	16,964
Total liabilities	142,248	142,248
Deferred Inflows of Resources:		
"Unavailable" revenues	-	-
Total deferred inflows of resources	-	-
Fund balances:		
Nonspendable	3,114	3,114
Restricted	161,487	161,487
Unassigned	(1,825)	(1,825)
Total fund balances	162,776	162,776
Total liabilities, deferred inflows of resources and fund balances:	\$ 305,024	305,024

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
FINANCIAL STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016**

	Special Revenue Funds	Totals
Revenues:		
Taxes		
Property	\$ 25,625	25,625
Charges for services	15,399	15,399
Intergovernmental revenue		
Federal grants	275,814	275,814
State grants	69,022	69,022
Interest income	586	586
Miscellaneous income	585	585
Total revenues	387,031	387,031
Expenditures:		
Current:		
Instruction	138,270	138,270
Support services - students	22,958	22,958
Support services - instruction	9,346	9,346
Food services operations	174,988	174,988
Debt service		
Principal	21,902	21,902
Interest	3,677	3,677
Total expenditures	371,141	371,141
Excess (deficiency) of revenues over (under) expenditures	15,890	15,890
Other financing sources (uses):		
Transfers in	-	-
Transfers out	-	-
Total other financing sources (uses):	-	-
Net change in fund balances	15,890	15,890
Beginning fund balance	146,886	146,886
Ending fund balance	\$ 162,776	162,776

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2016

	<u>21000</u>	<u>22000</u>	<u>23000</u>	<u>24109</u>	<u>24118</u>	<u>24120</u>	<u>24132</u>	<u>24154</u>
	<u>Food Services</u>	<u>Athletics Fund</u>	<u>Non-Inst Support</u>	<u>IDEA B - Preschool</u>	<u>Fresh Fruits & Vegetables</u>	<u>IDEA B - Reallocation</u>	<u>IDEA-B Results Plan</u>	<u>Teacher/Principal Training & Recruiting</u>
Assets and deferred inflows of resources:								
Assets:								
Cash and equivalents, unrestricted	\$ 50,294	509	7,226	-	-	-	-	-
Receivables								
Due from other funds	5,126	-	-	-	839	-	-	-
Due from other governments	-	-	-	8,575	1,055	55	16,330	29,329
Inventories	3,114	-	-	-	-	-	-	-
Total assets	<u>58,534</u>	<u>509</u>	<u>7,226</u>	<u>8,575</u>	<u>1,894</u>	<u>55</u>	<u>16,330</u>	<u>29,329</u>
Deferred Outflows of Resources:								
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 58,534</u>	<u>509</u>	<u>7,226</u>	<u>8,575</u>	<u>1,894</u>	<u>55</u>	<u>16,330</u>	<u>29,329</u>
Liabilities, deferred inflows of resources and fund balances:								
Liabilities:								
Due to other funds	\$ -	-	-	8,575	1,894	55	16,323	29,329
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,575</u>	<u>1,894</u>	<u>55</u>	<u>16,323</u>	<u>29,329</u>
Deferred Inflows of Resources:								
"Unavailable" revenues	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:								
Nonspendable	3,114	-	-	-	-	-	-	-
Restricted	55,420	509	7,226	-	-	-	7	-
Total fund balances	<u>58,534</u>	<u>509</u>	<u>7,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 58,534</u>	<u>509</u>	<u>7,226</u>	<u>8,575</u>	<u>1,894</u>	<u>55</u>	<u>16,330</u>	<u>29,329</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2016

	<u>25153</u>	<u>25233</u>	<u>27103</u> Dual	<u>27107</u>	<u>27149</u>	<u>27155</u>	<u>27166</u>
	Title XIX MEDICAID	REAP SRSA	Credit Instr Materials	Student Library SB- 66 Fund	Pre-K Initiative	Breakfast for Elem Students	K-3 Plus
Assets and deferred inflows of resources:							
Assets:							
Cash and equivalents, unrestricted	\$ 80,632	-	-	-	-	-	-
Receivables							
Due from other funds	-	-	-	-	-	2,944	-
Due from other governments	-	14,430	-	9,346	30,619	-	9,656
Total assets	<u>80,632</u>	<u>14,430</u>	<u>-</u>	<u>9,346</u>	<u>30,619</u>	<u>2,944</u>	<u>9,656</u>
Deferred Outflows of Resources:							
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 80,632</u>	<u>14,430</u>	<u>-</u>	<u>9,346</u>	<u>30,619</u>	<u>2,944</u>	<u>9,656</u>
Liabilities, deferred inflows of resources and fund balances:							
Liabilities:							
Due to other funds	\$ -	14,430	-	10,331	30,619	2,944	10,496
Total liabilities	<u>-</u>	<u>14,430</u>	<u>-</u>	<u>10,331</u>	<u>30,619</u>	<u>2,944</u>	<u>10,496</u>
Deferred Inflows of Resources:							
"Unavailable" revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:							
Restricted	80,632	-	-	-	-	-	-
Unassigned	-	-	-	(985)	-	-	(840)
Total fund balances	<u>80,632</u>	<u>-</u>	<u>-</u>	<u>(985)</u>	<u>-</u>	<u>-</u>	<u>(840)</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 80,632</u>	<u>14,430</u>	<u>-</u>	<u>9,346</u>	<u>30,619</u>	<u>2,944</u>	<u>9,656</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
As of June 30, 2016

	<u>27183</u> NM	<u>28131</u>	<u>28197</u> EE & RE	<u>28201</u> Child and Adult	
	Grown	NM Arts	Bonding	Care Food	
	FFV	Div Fund	Act Fund	Program	Total
Assets and deferred inflows of resources:					
Assets:					
Cash and equivalents, unrestricted	\$ -	380	62	29,947	169,050
Cash and equivalents, restricted	-	-	4,268	-	4,268
Receivables					
Due from other funds	-	-	-	-	8,909
Due from other governments	288	-	-	-	119,683
Inventories	-	-	-	-	3,114
Total assets	<u>288</u>	<u>380</u>	<u>4,330</u>	<u>29,947</u>	<u>305,024</u>
Deferred Outflows of Resources:					
Total deferred outflows of resources	-	-	-	-	-
Total assests and deferred outflows of resources	<u>\$ 288</u>	<u>380</u>	<u>4,330</u>	<u>29,947</u>	<u>305,024</u>
Liabilities, deferred inflows of resources and fund balances:					
Liabilities:					
Due to other funds	\$ 288	-	-	-	125,284
Grants received in advance of eligibility requirements	-	380	-	16,584	16,964
Total liabilities	<u>288</u>	<u>380</u>	<u>-</u>	<u>16,584</u>	<u>142,248</u>
Deferred Inflows of Resources:					
"Unavailable" revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Nonspendable	-	-	-	-	3,114
Restricted	-	-	4,330	13,363	161,487
Unassigned	-	-	-	-	(1,825)
Total fund balances	<u>-</u>	<u>-</u>	<u>4,330</u>	<u>13,363</u>	<u>162,776</u>
Total liabilities, deferred inflows of resources and fund balances:	<u>\$ 288</u>	<u>380</u>	<u>4,330</u>	<u>29,947</u>	<u>305,024</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

	<u>21000</u>	<u>22000</u>	<u>23000</u>	<u>24109</u>	<u>24118</u>	<u>24120</u>	<u>24132</u>	<u>24154</u>
	<u>Food</u>	<u>Athletics</u>	<u>Non-Inst</u>	<u>IDEA B -</u>	<u>Fresh</u>	<u>IDEA B -</u>	<u>IDEA-B</u>	<u>Teacher/</u>
	<u>Services</u>	<u>Fund</u>	<u>Support</u>	<u>Preschool</u>	<u>Fruits &</u>	<u>Reallocation</u>	<u>Results</u>	<u>Principal</u>
					<u>Vegetables</u>		<u>Plan</u>	<u>Training &</u>
								<u>Recruiting</u>
Revenues:								
Charges for services	\$ 8,659	6,740	-	-	-	-	-	-
Intergovernmental revenue								
Federal grants	142,628	-	-	8,575	6,288	55	16,330	40,677
Interest income	21	-	549	-	-	-	-	-
Miscellaneous income	-	-	585	-	-	-	-	-
Total revenues	<u>151,308</u>	<u>6,740</u>	<u>1,134</u>	<u>8,575</u>	<u>6,288</u>	<u>55</u>	<u>16,330</u>	<u>40,677</u>
Expenditures:								
Current:								
Instruction	-	6,610	2,720	8,575	-	55	16,323	29,329
Food services operations	<u>154,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,288</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>154,195</u>	<u>6,610</u>	<u>2,720</u>	<u>8,575</u>	<u>6,288</u>	<u>55</u>	<u>16,323</u>	<u>29,329</u>
Excess (deficiency) of revenues over (under) expenditures	(2,887)	130	(1,586)	-	-	-	7	11,348
Other financing sources (uses):								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,887)	130	(1,586)	-	-	-	7	11,348
Beginning fund balance	<u>61,421</u>	<u>379</u>	<u>8,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,348)</u>
Ending fund balance	<u>\$ 58,534</u>	<u>509</u>	<u>7,226</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7</u>	<u>-</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

	<u>25153</u>	<u>25233</u>	<u>27103</u>	<u>27107</u>	<u>27149</u>	<u>27155</u>	<u>27166</u>
	Title XIX MEDICAID	REAP SRSA	Dual Credit Instr Materials	Student Library SB- 66 Fund	Pre-K Initiative	Breakfast for Elem Students	K-3 Plus
Revenues:							
Intergovernmental revenue							
Federal grants	\$ 25,602	14,430	-	-	-	-	-
State grants	-	-	13	9,346	47,071	-	9,656
Total revenues	<u>25,602</u>	<u>14,430</u>	<u>13</u>	<u>9,346</u>	<u>47,071</u>	<u>-</u>	<u>9,656</u>
Expenditures:							
Current:							
Instruction	-	14,430	13	-	47,071	-	10,496
Support services - students	22,958	-	-	-	-	-	-
Support services - instruction	-	-	-	9,346	-	-	-
Total expenditures	<u>22,958</u>	<u>14,430</u>	<u>13</u>	<u>9,346</u>	<u>47,071</u>	<u>-</u>	<u>10,496</u>
Excess (deficiency) of revenues over (under) expenditures	2,644	-	-	-	-	-	(840)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,644	-	-	-	-	-	(840)
Beginning fund balance	<u>77,988</u>	<u>-</u>	<u>-</u>	<u>(985)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending fund balance	<u>\$ 80,632</u>	<u>-</u>	<u>-</u>	<u>(985)</u>	<u>-</u>	<u>-</u>	<u>(840)</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2016

	<u>27183</u>	<u>28131</u>	<u>28197</u>	<u>28201</u>	
	NM Grown	NM Arts	EE & RE	Child and	
	FFV	Div	Bonding	Adult Care	Total
		Fund	Act Fund	Food Program	
Revenues:					
Taxes					
Property	\$ -	-	25,625	-	25,625
Charges for services	-	-	-	-	15,399
Intergovernmental revenue					
Federal grants	-	-	-	21,229	275,814
State grants	288	2,648	-	-	69,022
Interest income	-	-	16	-	586
Miscellaneous income	-	-	-	-	585
Total revenues	<u>288</u>	<u>2,648</u>	<u>25,641</u>	<u>21,229</u>	<u>387,031</u>
Expenditures:					
Current:					
Instruction	-	2,648	-	-	138,270
Support services - students	-	-	-	-	22,958
Support services - instruction	-	-	-	-	9,346
Food services operations	288	-	-	14,217	174,988
Debt service					
Principal	-	-	21,902	-	21,902
Interest	-	-	3,677	-	3,677
Total expenditures	<u>288</u>	<u>2,648</u>	<u>25,579</u>	<u>14,217</u>	<u>371,141</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	62	7,012	15,890
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	62	7,012	15,890
Beginning fund balance	<u>-</u>	<u>-</u>	<u>4,268</u>	<u>6,351</u>	<u>146,886</u>
Ending fund balance	<u>\$ -</u>	<u>-</u>	<u>4,330</u>	<u>13,363</u>	<u>162,776</u>

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
FOOD SERVICES - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>			Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 8,025	8,025	8,659	634
Intergovernmental revenue				
Federal grants	145,000	145,000	142,628	(2,372)
Interest income	25	25	21	(4)
Total revenues	<u>153,050</u>	<u>153,050</u>	<u>151,308</u>	<u>(1,742)</u>
Expenditures:				
Current:				
Food services operations	<u>215,763</u>	<u>215,763</u>	<u>159,440</u>	<u>56,323</u>
	<u>215,763</u>	<u>215,763</u>	<u>159,440</u>	<u>56,323</u>
Excess (deficiency) of revenues over (under) expenditures	(62,713)	(62,713)	(8,132)	(58,065)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(62,713)	(62,713)	<u>(8,132)</u>	<u>(58,065)</u>
Budgeted cash carryover	<u>62,713</u>	<u>62,713</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (8,132)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			<u>5,245</u>	
Net change in fund balance (GAAP)			<u>\$ (2,887)</u>	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
ATHLETICS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts			Favorable (Unfavorable)
	Original	Final	Actual	
Revenues:				
Charges for services	\$ 16,500	16,500	3,324	(13,176)
Total revenues	16,500	16,500	3,324	(13,176)
Expenditures:				
Current:				
Instruction	17,724	17,724	1,063	16,661
	17,724	17,724	1,063	16,661
Excess (deficiency) of revenues over (under) expenditures	(1,224)	(1,224)	2,261	(29,837)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,224)	(1,224)	2,261	(29,837)
Budgeted cash carryover	1,224	1,224		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 2,261	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			3,416	
Adjustments to expenditures for accrued wages and expenditures			(5,547)	
Net change in fund balance (GAAP)			\$ 130	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NON-INSTRUCTIONAL SUPPORT - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Interest income	-	-	549	549
Miscellaneous income	\$ 500	500	585	85
Total revenues	500	500	1,134	634
Expenditures:				
Current:				
Instruction	10,399	10,399	2,720	7,679
	10,399	10,399	2,720	7,679
Excess (deficiency) of revenues over (under) expenditures	(9,899)	(9,899)	(1,586)	(7,045)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(9,899)	(9,899)	(1,586)	(7,045)
Budgeted cash carryover	9,899	9,899		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (1,586)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ (1,586)	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
IDEA B - PRESCHOOL - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 7,460	14,920	2,563	(12,357)
Total revenues	7,460	14,920	2,563	(12,357)
Expenditures:				
Current:				
Instruction	7,460	14,920	8,576	6,344
	7,460	14,920	8,576	6,344
Excess (deficiency) of revenues over (under) expenditures	-	-	(6,013)	(18,701)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(6,013)	(18,701)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (6,013)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			6,013	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
FRESH FRUITS & VEGETABLES - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ -	6,288	9,761	3,473
Total revenues	-	6,288	9,761	3,473
Expenditures:				
Current:				
Food services operations	-	6,288	6,288	-
	-	6,288	6,288	-
Excess (deficiency) of revenues over (under) expenditures	-	-	3,473	3,473
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	3,473	3,473
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 3,473	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(3,473)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
IDEA B - REALLOCATION - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ -	55	-	(55)
Total revenues	-	55	-	(55)
Expenditures:				
Current:				
Instruction	-	55	55	-
	-	55	55	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(55)	(55)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(55)	(55)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (55)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			55	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
IDEA B - RESULTS PLAN - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 20,000	20,000	-	(20,000)
Total revenues	20,000	20,000	-	(20,000)
Expenditures:				
Current:				
Instruction	20,000	20,000	16,323	3,677
	20,000	20,000	16,323	3,677
Excess (deficiency) of revenues over (under) expenditures	-	-	(16,323)	(23,677)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(16,323)	(23,677)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (16,323)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			16,330	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ 7	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
TEACHER/PRINCIPAL TRAINING - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 15,114	33,382	11,348	(22,034)
Total revenues	15,114	33,382	11,348	(22,034)
Expenditures:				
Current:				
Instruction	15,114	33,382	29,329	4,053
	15,114	33,382	29,329	4,053
Excess (deficiency) of revenues over (under) expenditures	-	-	(17,981)	(26,087)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(17,981)	(26,087)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (17,981)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			29,329	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ 11,348	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
TITLE XIX - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 15,000	15,000	25,602	10,602
Total revenues	15,000	15,000	25,602	10,602
Expenditures:				
Current:				
Support services - students	75,452	75,452	22,958	52,494
	75,452	75,452	22,958	52,494
Excess (deficiency) of revenues over (under) expenditures	(60,452)	(60,452)	2,644	(41,892)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(60,452)	(60,452)	2,644	(41,892)
Budgeted cash carryover	60,452	60,452		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 2,644	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ 2,644	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
REAP SRSA - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ -	14,430	-	(14,430)
Total revenues	-	14,430	-	(14,430)
Expenditures:				
Current:				
Instruction	-	14,430	14,430	-
	-	14,430	14,430	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(14,430)	(14,430)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(14,430)	(14,430)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (14,430)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			14,430	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
DUAL CREDIT INSTRUCTIONAL MATERIALS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	14	13	(1)
Total revenues	-	14	13	(1)
Expenditures:				
Current:				
Instruction	-	14	13	1
	-	14	13	1
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(2)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	-	(2)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
STUDENT LIBRARY BOND - SB-66 - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 18,075	19,061	-	(19,061)
Total revenues	18,075	19,061	-	(19,061)
Expenditures:				
Current:				
Support services - instruction	18,075	19,061	9,346	9,715
	18,075	19,061	9,346	9,715
Excess (deficiency) of revenues over (under) expenditures	-	-	(9,346)	(28,776)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(9,346)	(28,776)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (9,346)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			9,346	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
PRE-K INITIATIVE - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 48,093	48,093	47,707	(386)
Total revenues	48,093	48,093	47,707	(386)
Expenditures:				
Current:				
Instruction	48,093	48,093	47,071	1,022
	48,093	48,093	47,071	1,022
Excess (deficiency) of revenues over (under) expenditures	-	-	636	(1,408)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	636	(1,408)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 636	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(636)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
BREAKFAST FOR ELEM STUDENTS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	-	911	911
Total revenues	-	-	911	911
Expenditures:				
Current:				
Support services - students	-	-	-	-
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	911	911
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	911	911
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 911	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(911)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
K-3 PLUS - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ 18,755	11,493	19,263	7,770
Total revenues	18,755	11,493	19,263	7,770
Expenditures:				
Current:				
Instruction	18,755	11,493	9,656	1,837
	18,755	11,493	9,656	1,837
Excess (deficiency) of revenues over (under) expenditures	-	-	9,607	5,933
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	9,607	5,933
Budgeted cash carryover	-	-		
Net change in fund balance	-	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 9,607	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(9,607)	
Adjustments to expenditures for accrued wages and expenditures			(840)	
Net change in fund balance (GAAP)			\$ (840)	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NM GROWN FFV - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	288	-	(288)
Total revenues	-	288	-	(288)
Expenditures:				
Current:				
Food services operations	-	288	288	-
	-	288	288	-
Excess (deficiency) of revenues over (under) expenditures	-	-	(288)	(288)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	(288)	(288)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (288)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			288	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
NM ARTS DIV FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Intergovernmental revenue				
State grants	\$ -	2,933	2,933	-
Total revenues	-	2,933	2,933	-
Expenditures:				
Current:				
Instruction	-	2,933	2,648	285
	-	2,933	2,648	285
Excess (deficiency) of revenues over (under) expenditures	-	-	285	(285)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	285	(285)
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 285	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			(285)	
Adjustments to expenditures for accrued wages and expenditures			-	
Net change in fund balance (GAAP)			\$ -	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
EE AND ER BONDING ACT FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Taxes				
Property	\$ -	-	-	-
Interest income	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Debt service				-
Principal	-	-	-	-
Interest	-	-	-	-
	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	-	-
Budgeted cash carryover	-	-		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ -	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			25,641	
Adjustments to expenditures for accrued wages and expenditures			(25,579)	
Net change in fund balance (GAAP)			\$ 62	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
CHILD AND ADULT CARE FOOD PROGRAM - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue				
Federal grants	\$ 14,222	26,222	21,229	(4,993)
Total revenues	<u>14,222</u>	<u>26,222</u>	<u>21,229</u>	<u>(4,993)</u>
Expenditures:				
Current:				
Food services operations	<u>14,222</u>	<u>26,222</u>	<u>14,217</u>	<u>12,005</u>
	<u>14,222</u>	<u>26,222</u>	<u>14,217</u>	<u>12,005</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	7,012	(16,998)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	-	-	<u>7,012</u>	<u>(16,998)</u>
Budgeted cash carryover	<u>-</u>	<u>-</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 7,012	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ 7,012</u>	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
BOND BUILDING FUND - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Favorable (Unfavorable)
	Original	Final		
Revenues:				
Miscellaneous income	\$ -	-	-	-
Total revenues	-	-	-	-
Expenditures:				
Current:				
Capital outlay	1,475,954	1,475,954	237,982	1,237,972
	1,475,954	1,475,954	237,982	1,237,972
Excess (deficiency) of revenues over (under) expenditures	(1,475,954)	(1,475,954)	(237,982)	(1,237,972)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	-	-	-	-
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(1,475,954)	(1,475,954)	(237,982)	(1,237,972)
Budgeted cash carryover	1,475,954	1,475,954		
Net change in fund balance	\$ -	-		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ (237,982)	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			-	
Adjustments to expenditures for accrued wages and expenditures			(40,478)	
Net change in fund balance (GAAP)			\$ (278,460)	

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
CAPITAL IMPROVEMENTS - SB-9 - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ 118,462	118,462	121,595	3,133
Intergovernmental revenue				
State grants	-	9,094	10,185	1,091
Total revenues	<u>118,462</u>	<u>127,556</u>	<u>131,780</u>	<u>4,224</u>
Expenditures:				
Current:				
Support services - general admin	1,250	2,250	1,216	1,034
Capital outlay	<u>345,342</u>	<u>353,436</u>	<u>108,902</u>	<u>244,534</u>
	<u>346,592</u>	<u>355,686</u>	<u>110,118</u>	<u>245,568</u>
Excess (deficiency) of revenues over (under) expenditures	(228,130)	(228,130)	21,662	(241,344)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(228,130)	(228,130)	<u>21,662</u>	<u>(241,344)</u>
Budgeted cash carryover	<u>228,130</u>	<u>228,130</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 21,662	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			16,080	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ 37,742</u>	

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes				
Property	\$ 171,890	171,890	289,766	117,876
Interest income	-	-	3	3
Total revenues	<u>171,890</u>	<u>171,890</u>	<u>289,769</u>	<u>117,879</u>
Expenditures:				
Current:				
Support services - general admin	3,725	3,725	2,897	828
Operation and maintenance of plant	133,494	133,494	-	133,494
Debt service				
Principal	115,000	115,000	115,000	-
Interest	56,890	56,890	56,889	1
	<u>309,109</u>	<u>309,109</u>	<u>174,786</u>	<u>134,323</u>
Excess (deficiency) of revenues over (under) expenditures	(137,219)	(137,219)	114,983	(16,444)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(137,219)	(137,219)	<u>114,983</u>	<u>(16,444)</u>
Budgeted cash carryover	<u>137,219</u>	<u>137,219</u>		
Net change in fund balance	<u>\$ -</u>	<u>-</u>		
Reconciliation From Budget/Actual to GAAP				
Net change in fund balance (Non-GAAP budgetary basis)			\$ 114,983	
Adjustments to revenue for tax accruals and other miscellaneous revenue accruals			2,647	
Adjustments to expenditures for accrued wages and expenditures			<u>-</u>	
Net change in fund balance (GAAP)			<u>\$ 117,630</u>	

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

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
For the Year Ended June 30, 2016**

	<u>Balance</u> <u>06/30/15</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance</u> <u>06/30/16</u>
High school activities				
Assets:				
Cash	\$ 20,102	128,266	(113,722)	34,646
Total assets	<u>20,102</u>	<u>128,266</u>	<u>(113,722)</u>	<u>34,646</u>
Liabilities:				
Held for others	20,102	128,266	(113,722)	34,646
Total liabilities	<u>20,102</u>	<u>128,266</u>	<u>(113,722)</u>	<u>34,646</u>
Elementary school activities				
Assets:				
Cash	9,884	29,095	(28,058)	10,921
Total assets	<u>9,884</u>	<u>29,095</u>	<u>(28,058)</u>	<u>10,921</u>
Liabilities:				
Held for others	9,884	29,095	(28,058)	10,921
Total liabilities	<u>9,884</u>	<u>29,095</u>	<u>(28,058)</u>	<u>10,921</u>
Total				
Assets:				
Cash	29,986	157,361	(141,780)	45,567
Total assets	<u>29,986</u>	<u>157,361</u>	<u>(141,780)</u>	<u>45,567</u>
Liabilities:				
Held for others	29,986	157,361	(141,780)	45,567
Total liabilities	<u>\$ 29,986</u>	<u>157,361</u>	<u>(141,780)</u>	<u>45,567</u>

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

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF FUND BALANCES
As of June 30, 2016

	Major Funds									Total Non- Major Funds	Total Funds
	General Fund			Spec Revenue			Cap Proj				
	11000	13000	14000	24101	24106	27114 NM	31100	31700	41000		
Operational	Transportation	Instructional Materials	Title I	IDEA B - Entitlement	Reads to Lead	Bond Building Fund	Capital Improv SB-9	Debt Service Fund			
Fund Balances:											
Nonspendable:											
Inventory	\$ -	-	-	-	-	-	-	-	-	3,114	3,114
Subtotal nonspendable funds	-	-	-	-	-	-	-	-	-	3,114	3,114
Restricted for:											
Transportation	-	13	-	-	-	-	-	-	-	-	13
Instructional materials	-	-	25,283	-	-	-	-	-	-	-	25,283
Educational Programs	-	-	-	598	-	-	-	-	-	161,487	162,085
School construction	-	-	-	-	-	-	1,197,495	357,345	-	-	1,554,840
Debt service	-	-	-	-	-	-	-	-	271,779	-	271,779
Subtotal restricted funds	-	13	25,283	598	-	-	1,197,495	357,345	271,779	161,487	2,014,000
Unassigned	450,214	-	-	-	(3,720)	-	-	-	-	(1,825)	444,669
	\$ 450,214	13	25,283	598	(3,720)	-	1,197,495	357,345	271,779	162,776	2,461,783

See independent auditor's report.

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF DEPOSITORIES
As of June 30, 2016

<u>Account name</u>	<u>Type</u>	<u>Interest bearing</u>	<u>My Bank</u>	<u>NM Finance Authority</u>	<u>Plus Deposits in Transit</u>	<u>Less O/S Checks</u>	<u>Balance Per Books</u>
General operating account	CK	No	\$ 640,557	-	-	(5,962)	634,595
Food service account	CK	Yes	81,995	-	-	(1,754)	80,241
Payroll clearing account	CK	Yes	285,016	-	-	(254,461)	30,555
Bond proceeds	MMKT	Yes	1,311,858	-	-	-	1,311,858
High school activities	CK	Yes	34,852	-	-	(205)	34,647
High school athletics	CK	Yes	559	-	-	(50)	509
Elementary school activities	CK	Yes	11,014	-	-	(93)	10,921
Operational savings account	Savings	Yes	66,601	-	-	-	66,601
Debt service savings account	Savings	Yes	10,582	-	-	-	10,582
Reserve and Debt Service	DS	Yes	-	4,339	-	-	4,339
Total cash and equivalents			<u>2,443,034</u>	<u>4,339</u>	<u>-</u>	<u>(262,525)</u>	<u>2,184,848</u>
Total amount on deposit			2,443,034	4,339	-	(262,525)	2,184,848
FDIC coverage			<u>(250,000)</u>	-			
Total uninsured public funds			2,193,034	4,339			
50% collateral requirement (Section 6-10-17 NMSA-1978)			1,096,517	2,170			
Pledged security			1,560,008	-			
See NMFA audited financials			-	4,339			
Amount (over)/under collateralized			<u>\$ (463,491)</u>	<u>(2,170)</u>			

See independent auditor's report.

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF PLEDGED COLLATERAL BY DEPOSITORY
As of June 30, 2016

<u>Cuspid</u>	<u>Description/ Maturity</u>	<u>Coupon</u>	<u>Moody</u>	<u>Pledged Percent</u>	<u>Par</u>	<u>Book Value</u>	<u>Market Value</u>
My Bank							
<i>Safekeeping Location - The Independent Banker's Bank (TIB) - Dallas, TX</i>							
189414KU8	Clovis NM Muni School District 8/1/2024	2.25	N/A	100%	\$ 450,000	450,000	475,767
433866CQ1	Hobbs School District 7/15/2019	4.00	N/A	100%	250,000	250,000	258,653
433866EUo	Hobbs School District 7/15/2020	2.00	N/A	100%	\$ 500,000	500,000	524,625
550340DL4	Luna County NM School District 8/1/2016	3.60	N/A	100%	300,000	300,000	300,963
					<u>\$ 1,500,000</u>	<u>1,500,000</u>	<u>1,560,008</u>

See independent auditor's report.

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS AND MEMORANDUMS OF UNDERSTANDING
As of June 30, 2016

Public Schools Facilities - Joint Powers Agreement

Participants:	District and State of New Mexico, Public School Facilities Authority (PSFA)
Responsible party:	PSFA
Description	This joint power agreement does not have a monetary amount within it but enables PSFA to work with the District.
Period:	07/1/2010 - 06/30/2017
Project costs:	N/A
District contributions:	N/A
Audit responsibility:	PSFA

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS
As of June 30, 2016**

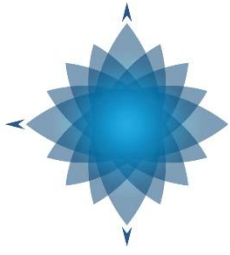
	<u>11000</u>	<u>13000</u>	<u>14000</u>	<u>21000</u>	<u>22000</u>	<u>23000</u>	<u>24000</u>
	Operational	Trans- portation	Instructional Materials	Food Services	Athletics Fund	Non- Inst Support	Federal Flow- through Fund
Cash, June 30, 2015	\$ 392,863	13	14,679	52,041	379	8,812	2,050
Add:							
2015-2016 revenues	3,131,629	237,960	16,799	151,308	6,740	1,134	290,470
Transfers from other funds	-	-	-	-	-	-	-
Total increases in cash	<u>3,131,629</u>	<u>237,960</u>	<u>16,799</u>	<u>151,308</u>	<u>6,740</u>	<u>1,134</u>	<u>290,470</u>
Less:							
2015-2016 expenditures	(3,083,028)	(237,960)	(6,195)	(153,770)	(6,610)	(2,720)	(264,948)
Permanent Cash Transfers/Reversions	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total decreases in cash	<u>(3,083,028)</u>	<u>(237,960)</u>	<u>(6,195)</u>	<u>(153,770)</u>	<u>(6,610)</u>	<u>(2,720)</u>	<u>(264,948)</u>
Adjustments							
Change in Due To/Due From Other Funds	(341,115)	-	-	715	-	-	(27,402)
Change in Payroll Accruals	(37)	-	-	-	-	-	-
Total adjustments	<u>(341,152)</u>	<u>-</u>	<u>-</u>	<u>715</u>	<u>-</u>	<u>-</u>	<u>(27,402)</u>
Total cash and investments	<u>\$ 100,312</u>	<u>13</u>	<u>25,283</u>	<u>50,294</u>	<u>509</u>	<u>7,226</u>	<u>170</u>

See independent auditor's report

STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS
As of June 30, 2016

	<u>25000</u>	<u>27000</u>	<u>28000</u>	<u>29000</u>	<u>31100</u>	<u>31700</u>	<u>41000</u>	
	Federal Direct Fund	State Flow- through Fund	State Direct Fund	Local/ State Fund	Bond Building Fund	Capital Improv SB- 9 Fund	Debt Service Fund	Governmental
Cash, June 30, 2015	\$ 77,988	-	27,298	-	1,124,632	321,420	144,143	2,166,318
Add:								
2015-2016 revenues	25,602	113,294	49,802	-	-	131,780	289,769	4,446,287
Transfers from other funds	-	-	-	-	-	-	-	-
Total increases in cash	<u>25,602</u>	<u>113,294</u>	<u>49,802</u>	<u>-</u>	<u>-</u>	<u>131,780</u>	<u>289,769</u>	<u>4,446,287</u>
Less:								
2015-2016 expenditures	(37,388)	(115,343)	(42,443)	-	(237,983)	(110,119)	(174,780)	(4,473,287)
Permanent Cash Transfers/Reversions	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Total decreases in cash	<u>(37,388)</u>	<u>(115,343)</u>	<u>(42,443)</u>	<u>-</u>	<u>(237,983)</u>	<u>(110,119)</u>	<u>(174,780)</u>	<u>(4,473,287)</u>
Adjustments								
Change in Due To/Due From Other Funds	14,430	2,049	-	-	351,323	-	-	-
Change in Payroll Accruals	-	-	-	-	-	-	-	(37)
Total adjustments	<u>14,430</u>	<u>2,049</u>	<u>-</u>	<u>-</u>	<u>351,323</u>	<u>-</u>	<u>-</u>	<u>(37)</u>
Total cash and investments	<u>\$ 80,632</u>	<u>-</u>	<u>34,657</u>	<u>-</u>	<u>1,237,972</u>	<u>343,081</u>	<u>259,132</u>	<u>2,139,281</u>
						Add fiduciary funds		45,567
						Rounding		-
						Total cash	\$	<u><u>2,184,848</u></u>

See independent auditor's report



**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

Timothy Keller
New Mexico State Auditor
The Board of Education and the Audit Committee of
Mountainair Public Schools
Mountainair, New Mexico

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, and the budgetary comparisons of the general fund and major special revenue funds of the Mountainair Public Schools, State of New Mexico, 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 November 10, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free 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 did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Integrity Accounting + Consulting, LLC

Integrity Accounting & Consulting, LLC
Albuquerque, NM

November 10, 2016

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2016**

SECTION I SUMMARY OF AUDIT RESULTS

Financial Statements:

- | | | |
|--|--|------------|
| 1. Type of auditors' report issued | | Unmodified |
| 2. Internal control over financial reporting: | | |
| a. Material weakness identified? | | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | | No |
| c. Noncompliance material to the financial statements noted? | | No |
| d. Other matters | | No |

SECTION II FINDINGS – FINANCIAL STATEMENTS

<u>Finding</u>	<u>Status of Current and Prior Year Findings</u>	<u>Financial Statement Finding</u>
Prior Year Findings		
None		
Current Year Findings		
None		

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS

None

**STATE OF NEW MEXICO
MOUNTAINAIR PUBLIC SCHOOLS
OTHER DISCLOSURES
FOR THE YEAR ENDED JUNE 30, 2016**

A. AUDITOR PREPARED FINANCIAL STATEMENTS

Presentation: The accompanying financial statements are the responsibility of the District and are based on information from the District's financial records. Assistance was provided by Integrity Accounting & Consulting to the District in preparing the financial statements.

B. EXIT CONFERENCE

The contents of the report for the Mountainair Public Schools were discussed on November 14, 2016. The following individuals were in attendance.

Mountainair Public Schools Officials

Darrell Roberts – President, Board Member, Audit Committee Member
Gabriel Chavez – Board Member, Audit Committee Member
Loretta Moseley – Audit Committee Member
Ron Hendrix – Superintendent
Tammy Zamora – Business Manager

Integrity Accounting & Consulting

Erick Robinson, CPA, CFE – Partner