
STATE OF NEW MEXICO
San Jon Municipal Schools
June 30, 2016

Financial Statements and Supplementary Information
As Of And For The Year Ended June 30, 2016
With Independent Auditor's Report Thereon

Sandra Rush
Certified Public Accountant, PC

1101 E Llano Estacado
Clovis, New Mexico 88101

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

Official Roster
For the year ended June 30, 2016

Board of Education

Franklin Gibson President

Tommy Evans Vice-President

Cynthia Lee Secretary

Pam Slater Member

Dale Bone Member

School Officials

Colin Taylor Superintendent

Lucy Heddlesten Business Manager

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STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

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SAN JON MUNICIPAL SCHOOLS

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Financial Section

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Independent Auditor's Report

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget and
The Governing Body
San Jon Municipal Schools
San Jon, New Mexico

Report on the Financial Statements

I 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 the San Jon Municipal School District (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. I also have audited the financial statements of each of the District's nonmajor governmental funds and the budgetary comparisons for the major capital project fund, 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. I 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 me, and my 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 misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain 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 District'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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis 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 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. My opinion on the basic financial statements is not affected by this missing information.

Other Information

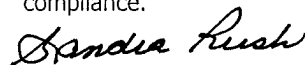
My audit was conducted for the purpose of forming opinions on the District's basic financial statements, the combining and individual fund financial statements, and the budgetary comparisons. The other schedules as required by 2.2.2 NMAC are presented for purposes of additional analysis and are not a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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 25, 2016 on my consideration of the District's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Sandra Rush CPA PC
Clovis, New Mexico
August 25, 2016

Basic Financial Statements

Government Wide Financial Statements

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current assets	
Cash and cash equivalents	\$ 308,386
Receivables	
Taxes	3,012
Other	1,122
Due from grantor	13,313
Inventory	<u>1,351</u>
Total current assets	<u>327,184</u>
Noncurrent assets	
Capital assets	
Capital assets	10,003,264
Less accumulated depreciation	<u>(4,416,248)</u>
Total non current assets	<u>5,587,016</u>
Total assets	<u>5,914,200</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Contributions to pension subsequent to the measurement date	172,842
Reallocation of net pension liability	12,273
Net change in proportionate share of pension liability	113,438
Net change in pension assumption	<u>90,563</u>
Total deferred outflows of resources	<u>389,116</u>
Total assets and deferred outflows of resources	<u>\$ 6,303,316</u>

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

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOLS

Statement of Net Position
 June 30, 2016

	<u>Governmental Activities</u>
<u>LIABILITIES</u>	
Current liabilities	
Accounts payable	\$ 10,118
Accrued interest	1,244
Current portion of long-term debt	<u>60,000</u>
Total current liabilities	<u>71,362</u>
Noncurrent liabilities	
Bonds, loans and other payables	
Bonds due in more than one year	150,000
Net pension liability	<u>2,633,009</u>
Total noncurrent liabilities	<u>2,783,009</u>
Total liabilities	<u>2,854,371</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Actuarial experience for net pension liability	48,814
Investment experience for net pension liability	<u>11,852</u>
Total deferred inflows of resources	<u>60,666</u>
<u>NET POSITION</u>	
Net investment in capital assets	5,377,016
Restricted for:	
General	13,940
Special revenue	12,993
Capital projects	20,454
Debt service	15,814
Unrestricted	<u>(2,051,938)</u>
Total net position	<u>3,388,279</u>
Total liabilities and net position	<u>\$ 6,303,316</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

Statement of Activities
For the year ended June 30, 2016

Functions / Programs	Expenses	Program Revenues			Net Program
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	[Expense] Revenues
					Governmental Activities Total
Governmental activities					
Instruction	\$ 1,576,471	\$ 13,245	\$ 223,676	\$ -	\$ (1,339,550)
Support services:					
Students	89,040	-	5,524	-	(83,516)
Instruction	55,824	-	9,377	-	(46,447)
General administration	234,670	-	43,185	-	(191,485)
School administration	-	-	-	-	-
Central services	87,199	-	-	-	(87,199)
Operation & maintenance of plant	345,415	11,505	-	-	(333,910)
Other support services	56	-	-	-	(56)
Student transportation	194,291	-	193,537	-	(754)
Operation of non-instructional services:					
Food services	134,040	22,420	44,823	-	(66,797)
Community service	36,496	-	-	-	(36,496)
Capital outlay	50,494	-	-	-	(50,494)
Depreciation	3,731	-	-	-	(3,731)
Interest on long-term debt	12,719	-	-	-	(12,719)
Total governmental activities	\$ 2,820,446	\$ 47,170	\$ 520,122	\$ -	(2,253,154)

General Revenues	
Local and county	
Property taxes	
Levied for general purposes	7,389
Levied for capital projects	30,582
Levied for debt service	75,957
Royalties	1,763
In lieu of taxes	86,000
Access board (E-Rate)	5,691
Gain (loss) sale of assets	(8,929)
State equalization guarantee	1,850,681
Total general revenues	2,049,134
Change in net position	(204,020)
Net position - beginning	3,592,299
Net position - ending	<u>3,388,279</u>

The accompanying notes are an integral part of these financial statements

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Fund Financial Statements

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

Balance Sheet
Governmental Funds
June 30, 2015

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
<u>ASSETS</u>				
Cash and cash equivalents	\$ 171,680	\$ 13,438	\$ -	\$ 1,226
Inventory	-	-	-	-
Accounts receivable:				
Taxes	916	-	-	-
Due from grantor	-	-	-	-
Other	-	-	-	-
Due from other funds	13,313	-	-	-
	<u>13,313</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 185,909</u>	<u>\$ 13,438</u>	<u>\$ -</u>	<u>\$ 1,226</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 6,214	\$ 724	\$ -	\$ -
Due to other funds	-	-	-	-
	<u>6,214</u>	<u>724</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>6,214</u>	<u>724</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS</u>				
Unavailable revenue - grants	723	-	-	-
Unavailable revenue - property tax	-	-	-	-
	<u>723</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows	<u>723</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE</u>				
Non-spendable	-	-	-	-
Restricted for:				
General	-	12,714	-	1,226
Special Revenue	-	-	-	-
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Unassigned for:				
General	178,972	-	-	-
Special Revenue	-	-	-	-
	<u>178,972</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>178,972</u>	<u>12,714</u>	<u>-</u>	<u>1,226</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 185,909</u>	<u>\$ 13,438</u>	<u>\$ -</u>	<u>\$ 1,226</u>

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

<u>IASA Title I 24101</u>	<u>Wind Farm Project 29134</u>	<u>Capital Projects Senate Bill 9 31700</u>	<u>Debt Service 41000</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 74,893	\$ 22,796	\$ 13,833	\$ 10,520	\$ 308,386
-	-	-	-	1,351	1,351
-	-	4,070	10,082	-	15,068
13,313	-	1,266	-	-	14,579
-	-	-	-	1,122	1,122
-	-	-	-	-	13,313
<u>\$ 13,313</u>	<u>\$ 74,893</u>	<u>\$ 28,132</u>	<u>23,915</u>	<u>\$ 12,993</u>	<u>\$ 353,819</u>
\$ -	-	\$ 3,157	\$ 23	\$ -	\$ 10,118
13,313	-	-	-	-	13,313
<u>13,313</u>	<u>-</u>	<u>3,157</u>	<u>23</u>	<u>-</u>	<u>23,431</u>
-	-	3,255	8,078	-	12,056
-	-	1,266	-	-	1,266
-	-	4,521	8,078	-	13,322
-	-	-	-	1,351	1,351
-	-	-	-	-	13,940
-	-	-	-	11,642	11,642
-	-	20,454	-	-	20,454
-	-	-	15,814	-	15,814
-	-	-	-	-	178,972
-	74,893	-	-	-	74,893
-	74,893	20,454	15,814	12,993	317,066
<u>\$ 13,313</u>	<u>\$ 74,893</u>	<u>\$ 28,132</u>	<u>\$ 23,915</u>	<u>\$ 12,993</u>	<u>\$ 353,819</u>

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STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

Reconciliation of the Balance Sheet
All Governmental Funds to the
Statement of Net Position
June 30, 2016

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

Fund balance - total governmental funds	\$ 317,066
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	
Capital assets	10,003,264
Accumulated depreciation	(4,416,248)
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 contributions to pension subsequent to the measurement date	172,842
Deferred outflows of resources related to net change in proportionate share of pension liability	125,711
Deferred outflows of resources related to net change in pension assumption	90,563
Deferred inflows of resources related to difference between expected and actual investment experience	(11,852)
Deferred inflows of resources related to difference between expected and actuarial experience	(48,814)
Accrued interest is not due and payable with current financial resources and, therefore, is not reported in the funds	(1,244)
Certain liabilities, including accrued compensated absences, bonds payable, lease purchase notes and net pension liability, are not due and payable in the current period and therefore are not reported in the funds	
General obligation bonds	(210,000)
Net pension liability	<u>(2,633,009)</u>
Net position of governmental activities	<u>\$ 3,388,279</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the year ended June 30, 2016

	Operational 11000	Teacherage 12000	Transportation 13000	Instructional Materials 14000
Revenues				
Taxes levied / assessed	\$ 7,389	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	719	-	-	-
Rentals	-	11,505	-	-
Royalties	1,763	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	5,691	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	1,850,681	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	193,537	-
Instructional materials - credit and cash	-	-	-	9,651
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	1,866,243	11,505	193,537	9,651
Expenditures				
Current				
Instruction	1,044,442	-	-	9,280
Support services				
Students	80,231	-	-	-
Instruction	39,350	-	-	-
General administration	227,929	-	-	-
School administration	-	-	-	-
Central services	87,199	-	-	-
Other support services	56	-	-	-
Operation of non-instructional services				
Operation & maintenance of plant	304,669	12,470	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	193,537	-
Food services	41,322	-	-	-
Community services	2,713	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	1,827,911	12,470	193,537	9,280
Excess (deficiency) of revenues over expenditures	38,332	(965)	-	371
Other financing sources (uses):				
Operating transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	38,332	(965)	-	371
Fund balance - beginning	140,640	13,679	-	855
Fund balance - ending	<u>\$ 178,972</u>	<u>\$ 12,714</u>	<u>\$ -</u>	<u>\$ 1,226</u>

The accompanying notes are an integral part of these financial statements

IASA Title I 24101	Wind Farm Project 29134	Capital Projects Senate Bill 9 31700	Debt Service 41000	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 30,582	\$ 75,957	\$ -	\$ 113,928
-	86,000	-	-	-	86,000
-	-	-	-	34,946	35,665
-	-	-	-	-	11,505
-	-	-	-	-	1,763
-	-	-	-	-	-
-	-	-	-	-	5,691
-	-	-	-	31,741	31,741
-	-	-	-	-	1,850,681
-	-	-	-	71,527	71,527
-	-	43,185	-	-	43,185
-	-	-	-	-	193,537
-	-	-	-	-	9,651
-	-	-	-	17,543	17,543
44,501	-	-	-	110,381	154,882
<u>44,501</u>	<u>86,000</u>	<u>73,767</u>	<u>75,957</u>	<u>266,138</u>	<u>2,627,299</u>
44,501	69,356	-	-	181,317	1,348,896
-	-	-	-	4,919	85,150
-	-	-	-	9,377	48,727
-	-	310	768	-	229,007
-	-	-	-	-	-
-	-	-	-	-	87,199
-	-	-	-	-	56
-	-	-	-	-	317,139
-	-	50,494	-	-	50,494
-	-	-	-	-	193,537
-	-	-	-	75,441	116,763
-	-	-	-	-	2,713
-	-	6,443	-	-	6,443
-	-	-	60,000	-	60,000
-	-	-	13,215	-	13,215
<u>44,501</u>	<u>69,356</u>	<u>57,247</u>	<u>73,983</u>	<u>271,054</u>	<u>2,559,339</u>
-	16,644	16,520	1,974	(4,916)	67,960
-	-	-	-	-	-
-	-	-	-	-	-
-	16,644	16,520	1,974	(4,916)	67,960
-	58,249	3,934	13,840	17,909	249,106
<u>\$ -</u>	<u>\$ 74,893</u>	<u>\$ 20,454</u>	<u>\$ 15,814</u>	<u>\$ 12,993</u>	<u>\$ 317,066</u>

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOLS

Reconciliation of the Statement of Revenues, Expenditures, and
 Change in Fund Balances of Governmental Funds to the
 Statement of Activities
 For the year ended June 30, 2016

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

Net change in fund balances - total governmental funds	\$ 67,960
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Capital outlays to purchase or build capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation exceeds capital outlays for the period.

Current year capital expenditures capitalized	6,443
Depreciation expense	(236,183)
Gain (loss) on disposal of capital assets	(8,929)

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in deferred outflows / inflows	(91,863)
Change in deferred outflows / inflows related to grants	(1,944)

The issuance of long-term debt (e.g., bonds, notes, 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, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Bond payment	60,000
Change in accrued interest payable	496

Change in Net Position of Governmental Activities	<u>\$ (204,020)</u>
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The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
General Fund - Operational - 11000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ 6,767	\$ 6,767	\$ 7,277	\$ 510
In lieu of taxes	-	-	-	-
Fees - activities	1,500	1,500	719	(781)
Rentals	-	-	-	-
Royalties	1,400	1,400	1,763	363
Gain (loss) of asset	-	-	3,995	3,995
Access board (E-Rate)	3,000	3,000	5,691	2,691
Special assessments REC	-	-	-	-
State equalization guarantee	1,829,468	1,851,050	1,850,681	(369)
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	609	609
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>1,842,135</u>	<u>1,863,717</u>	<u>1,870,735</u>	<u>7,018</u>
Expenditures				
Current				
Instruction	1,089,406	1,110,787	1,043,709	67,078
Support services				
Students	80,866	81,246	80,231	1,015
Instruction	45,881	46,881	39,350	7,531
General administration	233,515	241,515	227,829	13,686
School administration	-	-	-	-
Central services	86,927	87,927	87,381	546
Other support services	3,908	3,908	485	3,423
Operation of non-instructional services				
Operation & maintenance of plant	364,009	378,691	305,733	72,958
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	50,771	51,771	41,322	10,449
Community services	3,410	4,910	2,713	2,197
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>1,958,693</u>	<u>2,007,636</u>	<u>1,828,753</u>	<u>178,883</u>
Excess (deficiency) of revenues over(under) expenditures	(116,558)	(143,919)	41,982	185,901
Other financing sources (uses):				
Operating transfers	-	-	32,072	32,072
Interfund receivable	-	-	(13,313)	(13,313)
Designated cash	116,558	143,919	-	(143,919)
Total other financing sources (uses)	<u>116,558</u>	<u>143,919</u>	<u>18,759</u>	<u>(125,160)</u>
Net change in cash balances	-	-	60,741	60,741
Cash balance, beginning	-	-	110,939	110,939
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 171,680</u>	<u>\$ 171,680</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 60,741	
Adjustment to revenues for accruals & other deferrals			(23,251)	
Adjustment to expenditures for payables, prepaids & other accruals			842	
Net change in fund balance (GAAP Basis)			<u>\$ 38,332</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
General Fund - Teacherage - 12000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	18,800	18,800	11,505	(7,295)
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>18,800</u>	<u>18,800</u>	<u>11,505</u>	<u>(7,295)</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	31,420	33,264	12,531	20,733
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>31,420</u>	<u>33,264</u>	<u>12,531</u>	<u>20,733</u>
Excess (deficiency) of revenues over(under) expenditures	(12,620)	(14,464)	(1,026)	13,438
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	12,620	14,464	-	(14,464)
Total other financing sources (uses)	<u>12,620</u>	<u>14,464</u>	<u>-</u>	<u>(14,464)</u>
Net change in cash balances	-	-	(1,026)	(1,026)
Cash balance, beginning			14,464	14,464
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,438</u>	<u>\$ 13,438</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (1,026)	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			61	
Net change in fund balance (GAAP Basis)			<u>\$ (965)</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
General Fund - Transportation - 13000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) of asset	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	150,497	193,537	193,537	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>150,497</u>	<u>193,537</u>	<u>193,537</u>	<u>-</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	150,497	193,537	193,537	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>150,497</u>	<u>193,537</u>	<u>193,537</u>	<u>-</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
General Fund - Instructional Materials - 14000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	7,634	9,651	9,651	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	7,634	9,651	9,651	-
Expenditures				
Current				
Instruction	7,634	9,651	9,280	371
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	7,634	9,651	9,280	371
Excess (deficiency) of revenues over(under) expenditures	-	-	371	371
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	-	-	371	371
Cash balance, beginning	-	-	855	855
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,226</u>	<u>\$ 1,226</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 371	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ 371</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - IASA Title I - 24101
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	45,439	51,335	40,696	(10,639)
Total revenues	45,439	51,335	40,696	(10,639)
Expenditures				
Current				
Instruction	44,530	50,426	44,501	5,925
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	909	909	-	909
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	45,439	51,335	44,501	6,834
Excess (deficiency) of revenues over(under) expenditures	-	-	(3,805)	(3,805)
Other financing sources (uses):				
Operating transfers	-	-	3,805	3,805
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	3,805	3,805
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			3,805	
Adjustment to expenditures for payables, prepaids & other accruals			(3,805)	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - Wind Farm Projects - 29134
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	86,000	86,000	86,000	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>86,000</u>	<u>86,000</u>	<u>86,000</u>	<u>-</u>
Expenditures				
Current				
Instruction	72,883	75,157	69,356	5,801
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>72,883</u>	<u>75,157</u>	<u>69,356</u>	<u>5,801</u>
Excess (deficiency) of revenues over(under) expenditures	13,117	10,843	16,644	5,801
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash balances	13,117	10,843	16,644	5,801
Cash balance, beginning	<u>-</u>	<u>-</u>	<u>58,249</u>	<u>58,249</u>
Cash balance, ending	<u>\$ 13,117</u>	<u>\$ 10,843</u>	<u>\$ 74,893</u>	<u>\$ 64,050</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 16,644	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ 16,644</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

Statement of Fiduciary Assets and Liabilities - Agency Funds
June 30, 2016

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 44,695
Total assets	<u>\$ 44,695</u>
<u>LIABILITIES</u>	
Funds handled on behalf of:	
Student activity groups	<u>44,695</u>
Total liabilities	<u>\$ 44,695</u>

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

Notes to Financial Statements

NOTE 1 Summary of Significant Accounting Policies

San Jon Municipal Schools (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 of the District. 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.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District's financial statements. The financial statements and notes are the representation of the District's management who is responsible for their integrity and objectivity. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have incorporated all applicable GASB statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures. The more significant of the government's accounting policies are described below.

A. Financial Reporting Entity

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 Statement 61. Blended component units, although legally separate entities, are in substance part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basic-but not the only-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, regardless of whether the government can exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District has no component units, and is not a component unit of another governmental agency.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all the non-fiduciary activities of the primary government. For the most part, the effect of inter fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. These include

fees for meals, lab fees and activity fees for the District. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GASB.

Statement No. 33, *Accounting and Financial Reporting for Non-Exchange Transactions*. Property taxes are recognized as revenues in the year for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Ad valorem taxes (property taxes) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The *agency funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

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

The *General Fund* as the primary operating fund of the District, and accounts for all financial resources, except those required to be accounted for in other funds.

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

The *Capital Projects Funds* account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or nonexpendable trust funds.

The *Debt Service Funds* account for the services of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Under the requirements of GASB Statement No. 34, the District is required to present certain of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following (in addition to the General Fund), which may include funds that were not required to be presented as major but were at the discretion of management:

General Fund 11000, 12000, 13000, 14000

The General Fund consists of four sub funds. The first is the Operational fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. The Teacherage Fund is to provide teachers affordable housing to entice them to teach there. The Transportation fund includes a state grant to provide transportation for students in the District. The Instructional Materials fund accounts for a state grant to provide text books for students in the District

IASA Title I 24101

This fund's major objectives are to provide supplemental educational opportunities for academically disadvantaged children in the area where they reside. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; education need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Education. Authority for the 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.

Wind Farm – Special Revenue Fund 29134

This fund is used to account for wind farm payment in lieu of property taxes revenue. The fund was created by definition.

SB-9Capital Project Fund 31700

A fund created to account for all resources that are legally restricted to the construction or acquisition of designated capital assets.

Debt Service Fund – Debt Service Fund 41000

The fund is used to account for resources for and the payment of general long-term debt principal interest, and related cost.

Additionally, the government reports the following fund types:

Fiduciary Funds

The fund account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

Generally, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayer or citizenry, program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program specific operating grants, which includes revenues received from state and federal sources such as Title I and IDEA-B to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from the state resources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes and other items not properly included among program revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with the function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function,

except for that portion of depreciation that is identified as unallocated in the Statement of Activities. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Assets, Liabilities and Net Position or Equity

Cash and Cash Equivalents: The District's cash and cash equivalents are cash on hand, demand deposits and short-term investments with original maturities of twelve months or less from the date of acquisition.

State statutes authorize the District to invest in Certificates of Deposit, obligations of the U.S. Government, and the State Treasurer's Investment Pool.

Restricted Assets: Restricted assets are those that are set aside for restrictions resulting from enabling legislation for future capital outlay expenditures. The District's restricted assets are made up of all capital project.

Receivables and Payables: Inter-fund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as inter-fund 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 costs as a reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The District receives monthly income from a tax levy in Quay County. The funds are collected by the County Treasurers and remitted to the District in the following month. Under the modified accrual method of accounting, the amount remitted by the county treasurers in July and August is considered 'measurable and available' and, accordingly, is recorded as revenue in the governmental fund financial statements during the year ended June 30, 2016. Period of availability is deemed to be sixty days (60) subsequent to year end.

Certain Special Revenue funds are administered on a reimbursement method of funding; other funds are operated on a cash advance method of funding. The funds incurred the cost and submitted the necessary request for reimbursement or advance, respectively.

Prepaid Items: 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.

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 educational materials. Of each allocation, fifty percent is restricted to the purchase of material listed on the PED 'Multiple List', while fifty percent of each allocation is available for purchases directly from vendors or transfer to the fifty percent account for purchase of material from the "Multiple List". Districts are allowed to carry forward unused textbook funds from year to year.

Inventory: The District's method of accounting for inventory is the consumption method. Under the consumption approach, governments report inventories they purchase as an asset and defer the recognition of the expenditures until the period in which the inventories are consumed. Inventory is valued at cost. In the General Fund, inventory consists of expendable supplies held for consumption. Inventory in the Food Service Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies.

The cost of purchased inventory is recorded as an expenditure at the time individual inventory items are consumed. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000, per section 12-6-10 NMSA 1978, and an estimated useful life more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure

assets, (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government wide statements. Donated capital assets are recorded at estimated fair market value at the date of donation. Information Technology Equipment including software is being capitalized and included in furniture, fixtures, and equipment in accordance with NMAC 2.20.1.9 C (5).

The District was a phase I government for purposes of implementing GASB Statement No. 34. However, the District does not have any infrastructure assets to report.

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. Library books are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2016.

Capital expenditures made on the District's building construction projects by the New Mexico Public School Facilities Authority are included in the District's capital assets as appropriate. Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and Improvements	20 - 50 Years
Vehicles	2 - 15 Years
Equipment	2 - 15 Years

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.

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.

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 payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-term Obligations: In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method or the straight-line method if the difference from the effective interest method is inconsequential.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period the bonds are issued. The face amount of the 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 debt services expenditures.

Fund Balance: Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent: The following classifications may be used:

Non-Spendable

The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either (1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Committed

Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the District's Board of Education should be reported as committed fund balance. The committed amounts cannot be used for any other purpose unless the District's Board of Education removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

Assigned

Assigned fund balance includes (a) all remaining amounts, except for negative balances, that are reported in governmental funds, other than the general fund, that are not classified as non-spendable and are neither restricted nor committed and amounts in the general fund that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent, and removal of, is expressed by the Board of Education or the Finance Committee. The District did not have assigned fund balances for the year ended June 30, 2016.

Unassigned

The remaining fund balance, after all other classifications, within the general fund is reported as unassigned fund balance. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In governmental funds other than the general fund, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, a negative fund balance will be reported as unassigned fund balance.

When committed, assigned, and unassigned resources are available for use, it is the District's policy to use committed first followed by assigned and unassigned resources as they are needed.

Net Position: Net Position is presented on the Statement of Net Position and may be presented in any of three components.

Net investment in capital assets

This component of Net Position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. The portion of the debt attributable to the unspent proceeds is not included in the calculation of invested in capital assets, net of related debt. That portion of the debt is included in restricted for capital projects.

Restricted Net Position

Net Position is reported as being restricted when the restriction is either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Unrestricted Net Position

Unrestricted Net Position consists of Net Position that does not meet the definition of "net investment in capital assets" or "restricted."

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

In the governmental environment, Net Position often is designated to indicate that management does not consider them to be available for general operations. In contrast to restricted Net Position, these types of constraints on resources are internal and management can remove or modify them. However, enabling legislation established by the reporting government should not be construed as an internal constraint.

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. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

E. Revenues

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 cost.

A school district's program costs are determined using 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 Secretary of the Public Education Department. The District received \$1,850,681 in state equalization guarantee distributions during the year ended June 30, 2016.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be 'measurable' and 'available' on a modified accrual basis. The District recognized \$113,928 in tax revenues 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.

Property taxes attach an enforceable lien on property as of January 1. Tax notices are sent to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. Quay County collects county, city, and school taxes and distributes them to each fund once a month.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Secretary of the Public Education Department. The funds shall be used only for 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 \$193,537 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 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. Allocations received from the State for the year ended June 30, 2016 totaled \$9,651.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, a public-school capital outlay fund was created. The money in the fund may be used only for capital expenditures deemed by the public-school capital outlay council necessary for an adequate educational program, and the capital outlay expenditures are limited to the purchase, or construction of temporary or permanent classrooms.

The council shall approve an application for grant assistance from the fund when the council determines that:

1. A critical need exists requiring action;

2. The residents of the school districts have provided all available resources to the district to meet its capital outlay requirements;
3. The school district has used its resources in a prudent manner;
4. The school district is in a county or counties which have participated in the reappraisal program and the reappraised values are on the tax rolls, or will be used for the tax year 1979 as certified by the property tax division; and
5. The school district has provided insurance for buildings of the school district in accordance with the provisions of Section 13-5-3 NMSA 1978.

The council shall consider all applications for assistance from the fund and after public hearing shall either approve or deny the application. Applications for grant assistance shall only be accepted by the council after a district has complied with the provisions of this section. The council shall list all applications in order of priority and all allocations shall be made on a priority basis.

Money in the fund shall be disbursed by warrant of the Department of Finance and Administration on vouchers signed by the Secretary of Finance and Administration following certification by the council that the application has been approved.

During the year ended June 30, 2016, the District did not receive any special capital outlay funds.

SB-9 State Match: The Director shall distribute to any school district that has imposed a tax under the Public School Capital Outlay Improvements Act (22-25-1 to 22-25-10 NMSA 1978) an amount from the public school capital improvements fund that is equal to the amount by which the revenue estimated to be received from the imposed tax as specified in Subsection B of section 22-25-3 NMSA 1978, assuming a one hundred percent collection rate, is less than an amount calculated by multiplying the product obtained by the rate imposed in the District under the Public School Capital Improvements Act. The distribution shall be made by December 1, of each year that the tax is imposed in accordance with Section 22-25-3 NMSA 1978. Provided, however, if sufficient funds are not available in the public-school capital improvement funds to make the state distribution provided for in this section, the dollar per program unit figure shall be reduced as necessary.

The district received \$43,185 state SB-9 matching funds during the year end June 30, 2016.

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.

NOTE 2 Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted.

These budgets are prepared on the Non-GAAP (Cash) budgetary 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. Because 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 designated portion of the fund balance.

Actual expenditures may not exceed the budget at the function level. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'function,' this may be accomplished with only local Board of Education approval. If a transfer between 'functions' or a budget increase is required, approval must also be obtained from the New Mexico Public Education Department.

The budgetary information presented in these financial statements has been amended in accordance with the above procedures.

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

1. In April or May, the local school board submits to the School Budget and Finance Analysis Bureau (SBFAB) of the New Mexico Public Education Department, a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department (PED) by the District shall contain headings and details as described by law and have been approved by the New Mexico Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the SBFAB and certified and approved by the local school board at a public hearing of which notice has been published by the local school board who fixes the estimated budget for the District for the ensuing fiscal year.
3. The school board meeting, while not intended for the public, is open for the public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the SBFAB 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.
5. 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 SBFAB.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the District and approved by the SBFAB.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Projects Funds and Debt Service Funds.
11. Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are adopted on a basis not consistent with generally accepted accounting principles (GAAP). Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board of Education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a Governmental Agency from exceeding an individual function.

The accompanying Statements of Revenues, 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 generally accepted accounting principles, a

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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.

The appropriated budget for the year ended June 30, 2016, was properly amended by the Board of Education throughout the year.

	<u>Original Budget</u>	<u>Final Budget</u>
Major Funds		
Operational 11000	\$ (116,558)	\$ (143,919)
Teacherage 12000	\$ (12,620)	\$ (14,464)
Transportation 13000	\$ -	\$ -
Instructional Materials 14000	\$ -	\$ -
IASA Title 1 24101	\$ -	\$ -
Wind Farm 29134	\$ 13,117	\$ 10,843
SB-9 31700	\$ (21)	\$ (3,552)
Debt service	\$ (10,965)	\$ (13,247)
Non major Funds	\$ (7,696)	\$ (15,479)

The District is required to balance its budgets each year. Accordingly, amounts in excess or deficient are presented as changes in cash designated for expenditures, not as an excess or deficiency of revenues over expenditures.

The reconciliation between the Non-GAAP budgetary basis amounts and the financial statements on the GAAP basis for each governmental fund is included in the individual budgetary comparison.

NOTE 3 Deposits and Temporary Investments

State statutes authorize the investment of the District's funds in a wide variety of instruments including certificates of deposit and other similar obligations, state investment pool, money market accounts, and United States Government obligations. All invested funds of the District properly followed State investment requirements as of June 30, 2016.

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateral deposited as security or by bond given by the financial institution.

The rate of interest in non-demand interest-bearing accounts shall be set by the State Board of Finance, but in no case, shall the rate of interest be less than one hundred percent of the asked price on United States treasury bills of the same maturity on the day of deposit.

Excess of funds may be temporarily invested in securities which are issued by the State or by the United States government, or by their departments or agencies, and which are either direct obligations of the State or the United States or are backed by the full faith and credit of those governments.

The collateral pledged is listed on Schedule II of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

Per the Federal Deposit Insurance Corporation, public unit deposits are funds owned by the public unit. Time deposits, savings deposits and interest bearing NOW accounts of a public unit in an institution in the same state will be insured up to \$250,000 in aggregate and separate from the \$250,000 coverage for public unit demand deposits at the same institution.

Deposits

New Mexico State Statutes require collateral pledged for deposits more than the federal deposit insurance to be delivered, or a joint safekeeping receipt be issued, to the District for a least one half of the amount on deposit with the institution. The schedule listed below will meet the State of New Mexico, Office of the State Auditor's requirements in reporting the insured portion of the deposits.

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	Citizens Bank Tucumcari, NM	First National-NM Tucumcari, NM	Type
Total amount on deposit on June 30, 2016			
San Jon Municipal School Operational	\$ 392,696	\$ -	Checking
San Jon Municipal School Activity	40,169	-	Checking
San Jon Activity	5,500	-	CD
San Jon Activity		5,303	Checking
Total deposited	<u>438,365</u>	<u>5,303</u>	
Less FDIC coverage	<u>(250,000)</u>	<u>(5,303)</u>	
Total uninsured public funds	<u>188,365</u>	<u>-</u>	
50% collateral requirement as per Section 6-10-17, NMSA 1978	<u>94,183</u>	<u>-</u>	
Pledged securities			
Fed Natl Mtg Assn Pool	<u>299,458</u>	<u>-</u>	
Over (under)	<u>\$ 205,275</u>	<u>\$ -</u>	

Pledged Collateral

FNMA, CUISP 3138EG5J9, maturity date 9/1/2026, market value \$299,458 held at Texas Independent Bank, Dallas Texas, securities held in Citizens Bank name pledged in San Jon Municipal Schools name.

Custodial credit risk is the risk that in the event of a bank failure, the governments' deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016, none of the District's bank balance of \$438,365 was exposed to custodial credit risk.

Custodial Credit Risk- Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. New Mexico State Statutes require collateral pledged to be delivered for the securities underlying an overnight repurchase agreement, or a joint safekeeping receipt to be issued to the District for at least one hundred and two percent of the fair value of the securities underlying overnight repurchase accounts invested with the institution.

At June 30, 2016, the District had no investment balances therefore there was no custodial credit risk.

NOTE 4 Accounts Payables and Accrued Expenses

Payable to suppliers	\$ 10,118
Accrued interest	<u>1,244</u>
	<u>\$ 11,362</u>

NOTE 5 Receivables

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the following:

	General Fund	SB-9 Fund	Debt Service Fund	IASA Title 1 Fund	Other Governmental Funds	Totals
Property tax receivable	\$ 193	\$ 815	\$ 2,004	\$ -	\$ -	\$ 3,012
Due from grantor	-	-	-	13,313	-	13,313
Other						
Food Service 21000	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,122</u>	<u>1,122</u>
Totals	<u>\$ 193</u>	<u>\$ 815</u>	<u>\$ 2,004</u>	<u>\$ 13,313</u>	<u>\$ 1,122</u>	<u>\$ 17,447</u>

An allowance for doubtful accounts has not been established. All receivables are expected to be collectible.

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Governmental funds reported deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property tax		
General Fund	\$ 723	\$ -
SB-9 Fund	3,255	-
Debt Service Fund	8,078	-
Total delinquent property tax	<u>12,056</u>	<u>-</u>
Unavailable Grants		
SB-9 Fund	<u>1,266</u>	<u>-</u>
 Total deferred/unearned revenue for governmental funds	 <u><u>\$ 13,322</u></u>	 <u><u>\$ -</u></u>

NOTE 6 Inter-Fund Receivables and Payables

The District records temporary inter-fund receivables and payables to enable the funds to operate until grant monies are received.

The composition of inter-fund balances during the year ended June 30, 2016 is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
11000 Operational	\$ 13,313	\$ -
24101 IASA Title 1	<u>-</u>	<u>(13,313)</u>
 Totals	 <u><u>\$ 13,313</u></u>	 <u><u>\$ (13,313)</u></u>

These funds are part of pooled cash, so the General Fund is deemed to have loaned it money until reimbursements are received. All inter-fund balances are to be paid within one year.

NOTE 7 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2016, including those changes pursuant to the implementation of GASB Statement No. 34, follows. Land is not subject to depreciation.

	<u>Beginning Balances</u>	<u>Increase</u>	<u>Adjustments/ Decrease</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 35,998	\$ -	\$ -	\$ 35,998
Capital assets being depreciated				
Buildings and improvements	9,265,284	-	(88,292)	9,176,992
Vehicles	393,311	-	(39,764)	353,547
Equipment	444,453	6,443	(14,169)	436,727
Total assets	<u>10,139,046</u>	<u>6,443</u>	<u>(142,225)</u>	<u>10,003,264</u>
Less accumulated depreciation				
Buildings and improvements	(3,713,906)	(197,987)	-	(3,911,893)
Vehicles	(261,414)	(16,008)	56,653	(220,769)
Equipment	(338,041)	(22,188)	76,643	(283,586)
Total accumulated depreciation	<u>(4,313,361)</u>	<u>(236,183)</u>	<u>133,296</u>	<u>(4,416,248)</u>
Governmental activity capital assets, net	<u><u>\$ 5,825,685</u></u>	<u><u>\$ (229,740)</u></u>	<u><u>\$ (8,929)</u></u>	<u><u>\$ 5,587,016</u></u>

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Capital assets, net of depreciation, at June 30, 2016 appear in the Statement of Net Position as follows:

Governmental activities \$5,587,016

Depreciation has been allocated to the functions by the following amounts:

Instruction	\$	135,712
Support services - student support		3,890
Support services - instruction		7,097
Support services - general administration		5,663
Operation maintenance of plant		28,276
Community support		33,783
Food service operation		17,277
Transportation		754
Unclassified		3,731
	\$	<u>236,183</u>

NOTE 8 Long-term Debt

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. 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.

General obligation bonds outstanding at June 30, 2016, are comprised of the following:

Series	Date of Issue	Original Amount	Interest Rate	Balance	Due in One Year
2009	5/1/2009	\$ 500,000	4.87% to 5.15%	\$ 210,000	\$ 60,000

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

Year Ended June 30,	Principal	Interest	Total
2017	60,000	10,425	70,425
2018	60,000	7,545	67,545
2019	60,000	4,575	64,575
2020	30,000	1,545	31,545
	<u>\$ 210,000</u>	<u>\$ 24,090</u>	<u>\$ 234,090</u>

During the year ended June 30, 2016 the following changes occurred in the liabilities reported in the government-wide Statement of Net Position:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental activities					
Bonds payable					
General Obligation Bonds	<u>\$ 270,000</u>	<u>\$ -</u>	<u>\$ (60,000)</u>	<u>\$ 210,000</u>	<u>\$ 60,000</u>

NOTE 9 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 Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance 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, more than the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2016.

NOTE 10 Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures of certain information concerning individual funds including:

A. Deficit fund balance

None

B. Excess Expenditures over budget.

The District did not reported expenditures more than budget at the function level at June 30, 2016,

C. Designated cash appropriations more than available balance:

The Operational fund of the exceeded the budgeted cash appropriations for the year ended June 30, 2016.

NOTE 11 Pension Plan – Education Retirement Board

Plan Description - Substantially all the District's full-time employees participate in a public employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, Sections 1 through 52, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the New Mexico Educational Employees' Retirement Plan (Plan), which is a cost-sharing multiple-employer defined benefit retirement plan. ERB issues a separate, publicly available financial report that includes the financial statements and required supplementary information for the plan. That report may be obtained www.nmerb.org, www.saonm.org, or by writing to:

ERB

P.O. Box 26129

Santa Fe, New Mexico 87502-6129 www.nmerb.org

Membership in the Plan is a condition of employment. Employees of public schools, universities, regional cooperatives, special schools and state agencies providing educational programs, who are employed at more than 25% of a full-time equivalency, are required to be members of the Plan. There were 146,089 active, retired, and inactive members in fiscal year 2015; there were 140,008 active, retired, and inactive members in fiscal year 2014.

Benefits Provided - The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, and other employees of State public school districts, colleges and universities) and beneficiaries. Benefits are based on three components: Final Average Salary (FAS), years of both earned and allowed service credits, and a 2.35% factor. The gross annual benefit is determined by multiplying the three components together. FSA is the higher of annual earnings for the

previous 20 calendar quarters prior to retirement or the highest average annual earnings for any 20

consecutive calendar quarters.

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

sixty-five years of age and has five or more years of earned service credit; or the member has service credit totaling 25 years or more.

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

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

Retired members and surviving beneficiaries receiving benefits receive an automatic cost of living adjustment (COLA) to their benefit each July 1, beginning in the year the member attains or would have attained age 65 or on July 1 of the year following the member's retirement date, whichever is later. Prior to June 30, 2014 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, 2014, 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. All 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 FSA times year of service projected to age 60. The disability benefit commences immediately upon the member's retirement. Disability benefits are payable as a monthly life annuity, with a guarantee that, if the payments made do not exceed the member's accumulated contributions, determined as of the date of retirement, the balance will be paid in a lump sum to the member's surviving beneficiary. If the disabled member survives to age 60, the regular optional forms of payment are then applied. A member with five or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

The member, upon retirement, has three options as to how to receive the benefit.

Option A - If the member elects the Option A, there is no reduction to the monthly benefit other than any "Rule of 75" deductions or any community property or child support reductions. There will be no continuing benefit to a beneficiary or estate upon the retiree's death, except the balance, if any, of member contributions. Those contributions are usually exhausted in the first three to four years of retirement.

Option B - If the member elects Option B, the monthly benefit is reduced to provide for a 100% survivor's benefit. The reduced benefit is payable during the life of the member and upon the retiree's death, the same benefit is paid to the beneficiary for his or her lifetime. The named beneficiary may not be changed after the effective date of retirement since the amount of the option is calculated by using both the age of the member and the beneficiary. If the beneficiary predeceases the member, the member's benefit will be adjusted by

returning it to the Option A Benefit amount. The IRS prohibits selection of Option B for a non-spouse beneficiary more than ten years younger than the member.

Option C - If the member elects Option C, the monthly benefit is reduced to provide for a 50% survivor's benefit. The benefit is payable during the life of the member and upon the retiree's death, one half of the member's benefit is paid to the beneficiary for his or her lifetime. Here again, the named beneficiary may not be changed after the effective date of retirement. If the beneficiary predeceases the member, the member's benefit is adjusted by returning it to the Option A Benefit amount.

Under the provisions of Options B and C coverage, the beneficiary must be a person, and only one beneficiary may be named. The term beneficiary means a person having an insurable interest in the life of the member.

Member Contributions - Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.7% of their gross salary in fiscal year 2016.

Employer Contribution - In fiscal year 2016, the District was required to contribute 13.9% of the gross covered salary for employees whose annual salary is \$20,000 or less, and 13.9% of the gross covered salary for employees whose annual salary is more than \$20,000. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. Contributions to the pension plan from the District were \$172,482 for the year ended June 30, 2016.

Employers - The Educational Retirement Act designates employers as Local Administrative Units, directly responsible for payment of compensation for the employment of members or participants of this Plan. There were 216 contributing employers in fiscal year 2015; there were 217 contributing employers in fiscal year 2014.

Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources, and Expense Related to Pensions – The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2013. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$2,633,009 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 0.04065%, which was an increase of 0.00028% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2016, the District recognized pension expense of \$264,718. At the 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
Difference between expected and actual experience	\$ -	\$ 48,814
	12,273	
Change in assumptions	90,563	-
Net difference between projected and actual earnings on plan investments	-	11,852
Change in proportion and difference between District contribution and proportionate share of contributions	113,438	-
District's contribution subsequent to the measurement date	172,842	-
Totals	<u>\$ 389,116</u>	<u>\$ 60,666</u>

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOLS
 Notes to the Financial Statements
 June 30, 2016

Deferred outflows of resources related to pensions in the amount of \$172,842 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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	\$	58,420
2018		52,620
2019		7,980
2020		36,570
Thereafter		-

Actuarial assumptions. A single discount rate of 7.75% was used to measure the total pension liability as of June 30, 2015. This single discount rate was based on the expected rate of return on pension plan investments of 7.75%. Based on the assumptions described below and the projection of cash flows, pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. The long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation performed as of June 30, 2014. The total pension liability and net pension liability are based on an actuarial valuation performed as of June 30, 2014. The total pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015 using generally accepted actuarial principles. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

- 1) All members with an annual salary of more than \$20,000 will contribute 10.7% 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 Cost of Living Adjustment (COLA) will be deferred until age 67.
- 3) COLAs for most retirees are reduced until ERB attains a 100% funded status.
- 4) The new assumptions were adopted by ERB on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014.

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 contributions 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 Inflation 3.00%	5-year smoothed market for funding valuation (fair value for financial valuation)
Salary Increases	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 2015 using Scale AA (one year setback for females)

The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following: 1) rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.), 2) application of key economic projections (inflation, real growth, dividends, etc.), and 3) structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class. Best estimates of geometric real rates of return for each major asset class included in the Plan's target asset allocation for 2015 and 2014 for 30-year return assumptions are summarized in the following table:

Asset Class	2015	2014
	Long-Term Expected Real Rate of Return	Long-Term Expected Real Rate of Return
Cash	3.25%	1.50%
Treasuries	3.50%	2.00%
IG Corp Credit	4.75%	3.50%
MBS	3.75%	2.25%
Core Bonds	3.98%	2.53%
TIPS	4.00%	2.50%
High Yield Bonds	5.75%	4.50%
Bank Loans	6.00%	5.00%
Global Bonds (Unhedged)	2.25%	1.25%
Global Bonds (Hedged)	2.41%	1.38%
EMD External	6.00%	5.00%
EMD Local Currency	6.75%	5.75%
Large Cap Equities	7.50%	6.25%
Small/Mid Cap	7.75%	6.25%
International Equities (Unhedged)	8.00%	7.25%
International Equities (Hedged)	8.47%	7.50%
Emerging International Equities	9.25%	9.50%
Private Equity	9.50%	8.75%
Private Debt	8.00%	8.00%
Private Real Assets	7.75%	7.75%
Real Estate	6.50%	6.25%
Commodities	5.75%	5.00%
Hedge Funds	6.75%	5.50%

Rate of Return - The long-term expected rate of return on pension plan investments is determined annually using a building-block approach that includes the following:

- 1) Rate of return projections are the sum of current yield plus projected changes in price (valuation, defaults, etc.),
- 2) Application of key economic projections (inflation, real growth, dividends, etc.), and
- 3) Structural themes (supply and demand imbalances, capital flows, etc.). These items are developed for each major asset class.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table shows the sensitivity of the net pension liability to changes in the discount rate as of the fiscal year end 2015, 2014, and 2013. In particular, the table presents the Plan's net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
District's proportionate share of the net pension liability	\$ 3,542,889	\$ 2,633,009	\$ 1,868,614

NOTE 12 Post-Employment Benefits – State Retiree Health Care Plan

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

Eligible retirees are:

- 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which the event the time required for employee and employer contributions shall become the period 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:

Retiree Health Care Authority
 4308 Carlisle NE, Suite 104
 Albuquerque, NM 87107

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 monthly. 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, 2014, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2015, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2014, 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 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 \$37,304, \$34,663, and \$29,777, respectively, which equal the required contributions for each year.

NOTE 13 Contingent Liabilities

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

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 Cash Flows

The District's federal and state grants operate on a reimbursement basis. The District must support the expenditures of these grants with monies from the unrestricted operating monies. Operating on a reimbursement basis for these grants in its self does not adversely affect the District's ability to operate effectively. However, the time it takes to receive reimbursement, if extensive, does significantly affect the District's cash flows and the ability to deliver educational services to the community in an effective manner. This could affect the District's financial operations in subsequent years.

NOTE 16 Subsequent Events

The date to which events occurring after June 30, 2016, the date of the most recent Statement of Net Position, have been evaluated for possible adjustment to the financial statements or disclosures is xxx xx, 2016.

NOTE 17 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 \$6,243.

NOTE 18 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 19 Memorandum of Understanding

District

Purpose: To allow the submission of a consolidated application to the State Department of Education for certain funds granted to the State of New Mexico by the USDE under the Education of the Handicapped Act, Part B, PL 94-142 among others.

Participants: Regional Education Cooperative and San Jon Municipal Schools

Responsible Party for Operation and Audit: Regional Education Cooperative

Beginning and Ending Date of Agreement: July 1, 1995 until the end of any fiscal year during which the school gives notice of intent to terminate.

Total Estimated Amount of Project and Actual Amount Contributed: The REC paid expenditures on behalf of the District in the amount of \$21,073.

Clovis Community College - Dual Enrollment Agreement

Purpose: Clovis Community College will provide higher education to qualified San Jon High School junior and senior students in both technical and arts and science courses.

Participants: Clovis Community College and San Jon Municipal Schools.

Responsibility: San Jon Municipal Schools will be responsible for tuition and enrollment fees for the enrolled students.

Beginning and ending dates of agreement: Extended indefinitely until terminated by either party.

Estimated costs: Total costs are dependent on the number of enrolled students and is the sole responsibility of San Jon Municipal Schools.

Supplementary Information Related to
Major Governmental Funds

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Capital Projects Fund - Capital Improvements Senate Bill Nine - 31700
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ 28,448	\$ 28,448	\$ 30,149	\$ 1,701
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	45,499	43,185	(2,314)
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	44,451	44,451	-	(44,451)
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	72,899	118,398	73,334	(45,064)
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	290	390	301	89
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	72,630	121,560	53,789	67,771
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	72,920	121,950	54,090	67,860
Excess (deficiency) of revenues over(under) expenditures	(21)	(3,552)	19,244	22,796
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	21	3,552	-	(3,552)
Total other financing sources (uses)	21	3,552	-	(3,552)
Net change in cash balances	-	-	19,244	19,244
Cash balance, beginning	-	-	3,552	3,552
Cash balance, ending	\$ -	\$ -	\$ 22,796	\$ 22,796
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 19,244	
Adjustment to revenues for accruals & other deferrals			433	
Adjustment to expenditures for payables, prepaids & other accruals			(3,157)	
Net change in fund balance (GAAP Basis)			\$ 16,520	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Debt Service Fund - Debt Service - 41000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ 73,215	\$ 73,215	\$ 74,546	\$ 1,331
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>73,215</u>	<u>73,215</u>	<u>74,546</u>	<u>1,331</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	733	1,233	745	488
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	70,232	72,014	60,000	12,014
Interest payment	13,215	13,215	13,215	-
Total expenditures	<u>84,180</u>	<u>86,462</u>	<u>73,960</u>	<u>12,502</u>
Excess (deficiency) of revenues over(under) expenditures	(10,965)	(13,247)	586	13,833
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivable	-	-	-	-
Designated cash	10,965	13,247	-	(13,247)
Total other financing sources (uses)	<u>10,965</u>	<u>13,247</u>	<u>-</u>	<u>(13,247)</u>
Net change in cash balances	-	-	586	586
Cash balance, beginning	-	-	13,247	13,247
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,833</u>	<u>\$ 13,833</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 586	
Adjustment to revenues for accruals & other deferrals			1,411	
Adjustment to expenditures for payables, prepaids & other accruals			(23)	
Net change in fund balance (GAAP Basis)			<u>\$ 1,974</u>	

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

Required Supplementary Information

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOLS
 Schedule of Proportionate Share of the Net Pension Liability
 Education Retirement Board (ERB) Pension Plan
 Last 10 Fiscal Years*

Schedule A-1

	<u>2015</u>
The District's proportion of the net pension liability (asset)	0.04065%
The District's proportionate share of the net pension liability (asset)	\$ 2,633,009
The District's covered-employee payroll	\$ 1,243,470
The District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	211.75%
Plan fiduciary net position as a percentage of the total pension liability	63.97%

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

See notes to required supplementary information

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOLS
 Schedule of Contributions
 Education Retirement Board (ERB) Pension Plan
 Last 10 Fiscal Years*

Schedule A-2

	<u>2016</u>
Contractually required contribution	\$ 172,842
Contributions in relation to the contractually required contribution	<u>172,842</u>
Contribution deficiency (excess)	<u>\$ -</u>
The District's covered-employee payroll	\$ 1,243,470
Contributions as a percentage of covered-employee payroll	13.90%

*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.

Note: Employee contributions are not included in this schedule.

See notes to required supplementary information

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 **Pension Plan – Educational Retirement Board, 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. Minor changes to demographic assumptions
 - c. Remove population growth assumptions from projections

2. Assumptions that were not changed:
 - a. Investment return will remain at 7.75%
 - b. Inflation will remain at 3.00%
 - c. Maintain payroll growth at 3.5%

See also the ***Actuarial Assumptions*** subsection of the financial statement note disclosure ***Pension Plan – Educational Retirement Board, General Information on the Pension Plan.***

Supplementary Information Related to
Non-Major Governmental Funds

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NONMAJOR GOVERNMENTAL FUNDS

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. Grants accounted for in the Special Revenue Funds include:

Food Service 21000

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

Athletics 22000

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

IDEA-B Entitlement 24106

The purpose of this program is to account for revenue used to help maximize the resources in meeting the objective of handicapped children. The federal revenues in this fund are received from and administered by the New Mexico Department of Education. Authority for the creation of this fund is Part B of the Handicapped Act, Public Law 105-17.

Teacher Principal Training and Recruiting 24154

The purpose of this fund is to improve the skills of teachers and the quality of instruction in mathematics and science and to increase the accessibility of such instruction to all students. Authority for creation of this fund is Title II of the Elementary and Secondary Education Act of 1965 as amended, Public Law 103-382.

Rural Education Achievement Program 25233

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. Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended

REC / District Fiscal Agent 26107

The Collaborate is a joint venture between ten small districts, several state and local partnerships and the business community designed to promote excellence in teaching and learning among educators and students. Funding is provided by dues and community donations. Authorized by the New Mexico Public Education Department.

GO Bonds Library 27107

The objective of this act is to acquire library books, equipment and library resources for public school libraries and juvenile detention libraries. Funds are acquired from General Obligation Bonds through the Public Education Department. Authority for creation of this fund is the Legislation in Chapter 117, Laws of 2004, Section 10C (3). No minimum balance required according to legislation. Senate Bill 66, Laws of 2012, 2nd Session, 2012 Senate and House Bill.

NM Reads to Lead 27114

The purpose of this state grant is to provide for the implementation of the K-3 reading initiative activities as specified by the legislation. The fund was created by grant provisions. No minimum balance required according to legislation.

This award allows schools to acquire library books, equipment and library resources for public school library resources for public school libraries statewide. The funding was made available through Senate Bill 66, Laws of 2012, 2nd Session, 2012 Senate and House Bill.

IDEA-B Preschool 24109

The objective of the Assistance to State 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. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17

IDEA-B Results Driven Accountability Program 24132

The Results Driven Accountability Program (RDA) is a five-year school improvement initiative directed by the Title I Bureau of New Mexico's Public Education Department (PED.) RDA began in the 2014/2015 school year and will conclude with the 2018/2019 school year. RDA is a result of the State Systemic Improvement Plan.

STEM Teacher Initiative 27181

The objective of this program is to provide training for teachers in Science, Technology, Engineering and Math. Funding is provided by the New Mexico Public Education Department. No minimum balance required according to legislation.

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Food Service 21000	Athletics 22000	IDEA - B Entitlement 24106	IDEA - B Preschool 24109
<u>ASSETS</u>				
Cash and cash equivalents	\$ 5,217	\$ 5,303	\$ -	\$ -
Inventory	1,351	-	-	-
Accounts receivable				
Taxes	-	-	-	-
Due from grantor	-	-	-	-
Other	1,122	-	-	-
Due from other funds	-	-	-	-
Total assets	<u>\$ 7,690</u>	<u>\$ 5,303</u>	<u>\$ -</u>	<u>\$ -</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS</u>				
Unavailable revenue - state grants	-	-	-	-
<u>FUND BALANCE</u>				
Non-spendable	1,351	-	-	-
Restricted for:				
General	-	-	-	-
Special revenue	6,339	5,303	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Unassigned for:				
General	-	-	-	-
Special revenue	-	-	-	-
Total fund balance	<u>7,690</u>	<u>5,303</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 7,690</u>	<u>\$ 5,303</u>	<u>\$ -</u>	<u>\$ -</u>

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

IDEA - B Results Driven Accountability Plan 24132	Teacher / Principal Training & Recruiting 24154	Rural Education Achievement Program 25233	REC/District Fiscal Agent 26107	GO Student Library 27107	New Mexico Reads to Lead 27114
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

All Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Stem Teacher Initiative 27181	Total Non-major Governmental Funds
<u>ASSETS</u>		
Cash and cash equivalents	\$ -	\$ 10,520
Inventory	-	1,351
Accounts receivable		
Taxes	-	-
Due from grantor	-	-
Other	-	1,122
Due from other funds	-	-
	<hr/>	<hr/>
Total assets	<u>\$ -</u>	<u>\$ 12,993</u>
 <u>LIABILITIES</u>		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
	<hr/>	<hr/>
Total liabilities	<hr/> -	<hr/> -
 <u>DEFERRED INFLOWS</u>		
Unavailable revenue - state grants	-	-
 <u>FUND BALANCE</u>		
Non-spendable	-	1,351
Restricted for:		
General	-	-
Special revenue	-	11,642
Capital projects	-	-
Debt service	-	-
Unassigned for:		
General	-	-
Special revenue	-	-
	<hr/>	<hr/>
Total fund balance	<hr/> -	<hr/> 12,993
Total liabilities, deferred inflows and fund balance	<u>\$ -</u>	<u>\$ 12,993</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2016

	Food Service 21000	Athletics 22000	IDEA - B Entitlement 24106	IDEA - B Preschool 24109
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	22,420	12,526	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on sale of asset	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	44,823	-	34,854	5,524
	<u>67,243</u>	<u>12,526</u>	<u>34,854</u>	<u>5,524</u>
Total revenues	<u>67,243</u>	<u>12,526</u>	<u>34,854</u>	<u>5,524</u>
Expenditures				
Current				
Instruction	-	11,187	34,855	605
Support services				
Students	-	-	-	4,919
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services				
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	75,441	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
	<u>75,441</u>	<u>11,187</u>	<u>34,855</u>	<u>5,524</u>
Total expenditures	<u>75,441</u>	<u>11,187</u>	<u>34,855</u>	<u>5,524</u>
Excess (deficiency) revenues over expenditures	(8,198)	1,339	(1)	-
Other financing sources (uses):				
Operating transfers in (out)	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,198)	1,339	(1)	-
Fund balance - beginning	15,888	3,964	1	-
Fund balance - ending	<u>\$ 7,690</u>	<u>\$ 5,303</u>	<u>\$ -</u>	<u>\$ -</u>

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

IDEA - B Results Driven Accountability Plan 24132	Teacher / Principal Training & Recruiting 24154	Rural Education Achievement Program 25233	REC/District Fiscal Agent 26107	GO Student Library 27107	New Mexico Reads to Lead 27114
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	31,741	-	-
-	-	-	-	9,377	50,000
-	-	-	-	-	-
-	-	-	-	-	-
-	-	17,543	-	-	-
20,000	5,180	-	-	-	-
<u>20,000</u>	<u>5,180</u>	<u>17,543</u>	<u>31,741</u>	<u>9,377</u>	<u>50,000</u>
20,000	3,236	17,543	31,741	-	50,000
-	-	-	-	-	-
-	-	-	-	9,377	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
20,000	3,236	17,543	31,741	9,377	50,000
-	1,944	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,944	-	-	-	-
-	(1,944)	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS

All Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2016

	Stem Teacher Initiative 27181	Total Non-major Governmental Funds
Revenue		
Taxes levied / assessed	\$ -	\$ -
In lieu of taxes	-	-
Fees - activities	-	34,946
Rentals	-	-
Royalties	-	-
Gain (loss) on sale of asset	-	-
Access board (E-Rate)	-	-
Special assessments REC	-	31,741
State equalization guarantee	-	-
State flowthrough grants	12,150	71,527
State direct grant	-	-
Transportation	-	-
Instructional materials - credit and cash	-	-
Federal flowthrough grants	-	17,543
Federal restricted grants-in-aid	-	110,381
	<u>12,150</u>	<u>266,138</u>
Total revenues		
	<u>12,150</u>	<u>266,138</u>
Expenditures		
Current		
Instruction	12,150	181,317
Support services	-	-
Students	-	4,919
Instruction	-	9,377
General administration	-	-
School administration	-	-
Central services	-	-
Other support services	-	-
Operation of non-instructional services	-	-
Operation & maintenance of plant	-	-
Facilities acquisition / construction	-	-
Student transportation	-	-
Food services	-	75,441
Community services	-	-
Capital outlay	-	-
Debt Service	-	-
Principal payment	-	-
Interest payment	-	-
	<u>12,150</u>	<u>271,054</u>
Total expenditures		
	<u>12,150</u>	<u>271,054</u>
Excess (deficiency) revenues over expenditures	-	(4,916)
Other financing sources (uses):		
Operating transfers in (out)	-	-
	<u>-</u>	<u>-</u>
Total other financing sources (uses)		
	<u>-</u>	<u>-</u>
Net change in fund balances	-	(4,916)
Fund balance - beginning	-	17,909
Fund balance - ending	<u>\$ -</u>	<u>\$ 12,993</u>

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - Food Service - 21000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	18,900	18,900	23,476	4,576
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	43,100	43,100	38,580	(4,520)
Total revenues	62,000	62,000	62,056	56
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	66,763	74,546	69,385	5,161
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	66,763	74,546	69,385	5,161
Excess (deficiency) of revenues over(under) expenditures	(4,763)	(12,546)	(7,329)	5,217
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivables	-	-	-	-
Designated cash	4,763	12,546	-	(12,546)
Total other financing sources (uses)	4,763	12,546	-	(12,546)
Net change in cash balances	-	-	(7,329)	(7,329)
Cash balance, beginning	-	-	12,546	12,546
Cash balance, ending	\$ -	\$ -	\$ 5,217	\$ 5,217
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (7,329)	
Adjustment to revenues for accruals & other deferrals			5,187	
Adjustment to expenditures for payables, prepaids & other accruals			(6,056)	
Net change in fund balance (GAAP Basis)			\$ (8,198)	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - Athletics - 22000
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	8,500	8,500	12,526	4,026
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	8,500	8,500	12,526	4,026
Expenditures				
Current				
Instruction	12,329	12,329	11,187	1,142
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	12,329	12,329	11,187	1,142
Excess (deficiency) of revenues over(under) expenditures	(3,829)	(3,829)	1,339	5,168
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund receivables	-	-	-	-
Designated cash	3,829	3,829	-	(3,829)
Total other financing sources (uses)	3,829	3,829	-	(3,829)
Net change in cash balances	-	-	1,339	1,339
Cash balance, beginning	-	-	3,964	3,964
Cash balance, ending	\$ -	\$ -	\$ 5,303	\$ 5,303
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ 1,339	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ 1,339	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - IDEA-B Entitlement - 24106
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	31,124	40,809	55,474	14,665
Total revenues	31,124	40,809	55,474	14,665
Expenditures				
Current				
Instruction	31,124	40,809	34,855	5,954
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	31,124	40,809	34,855	5,954
Excess (deficiency) of revenues over(under) expenditures	-	-	20,619	20,619
Other financing sources (uses):				
Operating transfers	-	-	(20,620)	(20,620)
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	(20,620)	(20,620)
Net change in cash balances	-	-	(1)	(1)
Cash balance, beginning	-	-	1	1
Cash balance, ending	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ (1)	
Adjustment to revenues for accruals & other deferrals			20,620	
Adjustment to expenditures for payables, prepaids & other accruals			(20,620)	
Net change in fund balance (GAAP Basis)			\$ (1)	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - IDEA-B Preschool - 24109
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	4,196	6,086	5,524	(562)
Total revenues	4,196	6,086	5,524	(562)
Expenditures				
Current				
Instruction	-	-	605	(605)
Support services				
Students	3,300	5,190	4,919	271
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	3,300	5,190	5,524	(334)
Excess (deficiency) of revenues over(under) expenditures	896	896	-	(896)
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	896	896	-	(896)
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ 896	\$ 896	\$ -	\$ (896)
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - IDEA-B Results Driven Accountability Plan - 24132
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	20,000	20,000	20,000	-
Total revenues	20,000	20,000	20,000	-
Expenditures				
Current				
Instruction	20,000	20,000	20,000	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	20,000	20,000	20,000	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Funds - Teacher/Principal Training & Recruiting - 24154
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	4,430	7,429	5,180	(2,249)
Total revenues	4,430	7,429	5,180	(2,249)
Expenditures				
Current				
Instruction	4,430	7,429	3,236	4,193
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	4,430	7,429	3,236	4,193
Excess (deficiency) of revenues over(under) expenditures	-	-	1,944	1,944
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	(1,944)	(1,944)
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	(1,944)	(1,944)
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			1,944	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ 1,944	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - Rural Education Achievement Program - 25233
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	17,543	17,543	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	-	17,543	17,543	-
Expenditures				
Current				
Instruction	-	17,543	17,543	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	-	17,543	17,543	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund loans	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - REC / District Fiscal Agent - 26107
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	32,062	31,741	(321)
State equalization guarantee	-	-	-	-
State flowthrough grants	-	-	-	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	-	32,062	31,741	(321)
Expenditures				
Current				
Instruction	-	31,741	31,741	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	321	-	321
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	-	32,062	31,741	321
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	\$ -	\$ -	\$ -	\$ -
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			\$ -	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Major Special Revenue Fund - GO Student Library - 27107
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	9,377	9,377	9,377	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>9,377</u>	<u>9,377</u>	<u>9,377</u>	<u>-</u>
Expenditures				
Current				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	9,377	9,377	9,377	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>9,377</u>	<u>9,377</u>	<u>9,377</u>	<u>-</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Major Special Revenue Fund - New Mexico Reads to Lead - 27114
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final		
Revenue				
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	50,000	50,000	50,000	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Expenditures				
Current				
Instruction	50,000	50,000	50,000	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay				
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Special Revenue Fund - STEM Teacher Initiative-27181
Statement of Revenues, Expenditures, and Changes in Cash
Balance - Budget and Actual (Non - GAAP Budgetary Basis)
For the year ended June 30, 2016

Revenue	Budgeted Amounts		Actual	Variance
	Original	Final		
Taxes levied / assessed	\$ -	\$ -	\$ -	\$ -
In lieu of taxes	-	-	-	-
Fees - activities	-	-	-	-
Rentals	-	-	-	-
Royalties	-	-	-	-
Gain (loss) on capital assets	-	-	-	-
Access board (E-Rate)	-	-	-	-
Special assessments REC	-	-	-	-
State equalization guarantee	-	-	-	-
State flowthrough grants	-	12,150	12,150	-
State direct grant	-	-	-	-
Transportation	-	-	-	-
Instructional materials - credit and cash	-	-	-	-
Prior year balances	-	-	-	-
Federal flowthrough grants	-	-	-	-
Federal restricted grants-in-aid	-	-	-	-
Total revenues	-	12,150	12,150	-
Expenditures				
Current				
Instruction	-	12,150	12,150	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Other support services	-	-	-	-
Operation of non-instructional services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Facilities acquisition / construction	-	-	-	-
Student transportation	-	-	-	-
Food services	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt Service				
Principal payment	-	-	-	-
Interest payment	-	-	-	-
Total expenditures	-	12,150	12,150	-
Excess (deficiency) of revenues over(under) expenditures	-	-	-	-
Other financing sources (uses):				
Operating transfers	-	-	-	-
Interfund payable	-	-	-	-
Designated cash	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in cash balances	-	-	-	-
Cash balance, beginning	-	-	-	-
Cash balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net change in fund balance (Non-GAAP Budgetary Basis)			\$ -	
Adjustment to revenues for accruals & other deferrals			-	
Adjustment to expenditures for payables, prepaids & other accruals			-	
Net change in fund balance (GAAP Basis)			<u>\$ -</u>	

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

Supplementary Information Related Agency Funds

AGENCY FUNDS

To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, or other governments and/or other funds.

The District has the following funds classified as Agency Funds:

Activity - To account for assets held by the District until distributed to various organizations at the schools.

Agency Funds - Activity
Statement of Changes in Assets and Liabilities
June 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
<u>ASSETS</u>				
Class of 2013	\$ 140	\$ -	-	\$ 140
Class of 2014	456	-	-	456
Class of 2015	525	-	-	525
Class of 2016	2,860	590	(2,910)	540
Class of 2017	2,000	4,274	(5,058)	1,216
Class of 2018	2,076	483	(165)	2,394
Class of 2019	863	200	-	1,063
Class of 2020	1,984	265	(228)	2,021
Class of 2021	2,359	230	-	2,589
Class of 2022	915	351	-	1,266
Class of 2023	1,904	517	-	2,421
Class of 2024	819	276	(134)	961
Class of 2025	1,910	297	-	2,207
Class of 2026	528	137	(69)	596
Class of 2027	799	1,018	-	1,817
General	3,563	11,545	(13,112)	1,996
Annual	1,673	662	(2,198)	137
100 + Student Meals	97	32	(129)	-
Cheerleaders	384	-	-	384
Library	112	2,858	(2,847)	123
National Honor Society	13	-	-	13
BPA	481	-	-	481
Special Travel	1,054	2,688	(1,194)	2,548
Student Council	2,446	4,263	(3,917)	2,792
Concessions	976	3,245	(2,190)	2,031
FFA	1,022	11,836	(10,597)	2,261
Bidegain	-	-	-	-
Science	1,624	-	-	1,624
Basketball	1,179	119	(440)	858
Football	117	-	-	117
Volleyball	6,226	31,762	(34,370)	3,618
Boy's Basketball	-	-	-	-
CD	5,500	-	-	5,500
	<u>5,500</u>	<u>-</u>	<u>-</u>	<u>5,500</u>
Total assets	<u>\$ 46,605</u>	<u>\$ 77,648</u>	<u>\$ (79,558)</u>	<u>\$ 44,695</u>
<u>LIABILITIES</u>				
Due to student activity groups	<u>\$ 46,605</u>	<u>\$ 77,648</u>	<u>\$ (79,558)</u>	<u>\$ 44,695</u>
Total liabilities	<u>\$ 46,605</u>	<u>\$ 77,648</u>	<u>\$ (79,558)</u>	<u>\$ 44,695</u>

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

Other Supplemental Information

Cash Reconciliation - All Funds
For the year ended June 30, 2016

	Beginning Cash	Receipts	Distributions	Other	Total Cash End of Period
San Jon Municipal Schools					
Operational	\$ 110,939	\$ 1,870,735	\$ (1,828,753)	\$ 18,759	\$ 171,680
Teacherage	14,464	11,505	(12,531)	-	13,438
Transportation	-	193,537	(193,537)	-	-
Instructional Materials	855	9,651	(9,280)	-	1,226
Food Services	12,546	62,056	(69,385)	-	5,217
Athletics	3,964	12,526	(11,187)	-	5,303
Federal grants	1	126,874	(108,116)	(18,759)	-
Federal flowthrough grants	-	17,543	(17,543)	-	-
Local grants	-	31,741	(31,741)	-	-
State flowthrough grants	-	71,527	(71,527)	-	-
Local or state	58,249	86,000	(69,356)	-	74,893
Capital Improvement SB-9	3,552	73,334	(54,090)	-	22,796
Debt Service	13,247	74,546	(73,960)	-	13,833
	<u>\$ 217,817</u>	<u>\$ 2,641,575</u>	<u>\$ (2,551,006)</u>	<u>\$ -</u>	<u>\$ 308,386</u>
Total governmental funds					
San Jon Municipal Schools					
Student activities	\$ 46,605	\$ 77,648	\$ (79,558)	\$ 0	\$ 44,695
	<u>\$ 264,422</u>	<u>\$ 2,719,223</u>	<u>\$ (2,630,564)</u>	<u>\$ 0</u>	<u>\$ 353,081</u>
Total San Jon Municipal Schools					

Deposit or Investment Account Type	Citizens Bank's Balances at Year End	FNB NM's Balances at Year End	Total Bank's Balances at Year End
Operational account - checking	\$ 392,696	\$ 5,303	\$ 397,999
Activity fund - checking	40,169	-	40,169
Activity fund - certificate of deposit	5,500	-	5,500
Total on deposit	438,365	5303	443,668
Reconciling items-outstanding checks	(90,587)	-	(90,587)
Reconciled balance at year end	<u>\$ 347,778</u>	<u>\$ 5,303</u>	<u>\$ 353,081</u>

Reconciliation to financial statements

Cash and cash equivalents:

Total cash and cash equivalents per statement of net position \$ 308,386

Total cash and cash equivalents per statement of fiduciary assets and liabilities - agency funds 44,695

Total cash and cash equivalents \$ 353,081

STATE OF NEW MEXICO
 SAN JON MUNICIPAL SCHOOLS
 SCHEDULE OF VENDOR INFORMATION for Purchases Exceeding \$60,000 (excluding GRT)
 For the Year Ended June 30, 2016
 Prepared by Agency Staff
 Name: L HEDDLESTEN Title: Business Manager Date 08/23/16

<i>RFB#/RFP#</i>	<i>Type of Procurement</i>	<i>Awarded Vendor</i>	<i>\$ Amount of Awarded Contract</i>	<i>\$ Amount of Amended Contract</i>	<i>Name and Physical Address per the procurement documentation, of ALL Vendor(s) that responded</i>	<i>In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)</i>	<i>Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A</i>	<i>Brief Description of the Scope of Work</i>
N/A								

Compliance Section

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 Office of Management and Budget and
The Governing Body
San Jon Municipal Schools
San Jon, New Mexico

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the San Jon Municipal School District (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, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued my report thereon dated August 25, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I 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 my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I 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.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I 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 from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Sandra Rush CPA PC
Clovis, New Mexico
August 25, 2016

STATE OF NEW MEXICO
SAN JON MUNICIPAL SCHOOLS
Schedule of Findings and Responses
June 30, 2016

Prior Year Findings: None

Current Year Findings: None

Financial Statement Preparation

Although it would be preferred and desirable for the District to prepare its own GAAP-basis financial statements, it is felt that the District's personnel did not have the time to prepare them. Therefore, the outside auditor prepared the GAAP basis financial statements and footnotes for inclusion in the annual audit report from the original books and records provided to them by the management of the District. Management of the District has reviewed and approved these financial statements and related notes and believes they are adequately supported by the books and records of the government.

Exit Conference

The contents of this report were discussed with, Colin Taylor, Superintendent, Cynthia Lee, board member, Franklin Gibson, board member Lucy Heddlesten, Business Manager, and Sandra Rush, CPA, in an exit conference on August 25, 2016, 2016.

