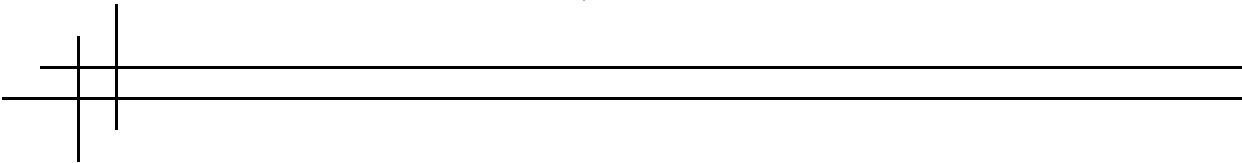


State of New Mexico
Santa Rosa Consolidated Schools

Annual Financial Report
June 30, 2016

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



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State of New Mexico
Santa Rosa Consolidated Schools
Official Roster
June 30, 2016

Board of Education

Lorraine Madrid	President
Gilda Gonzales	Vice-President
David Sanchez	Secretary
Pablita Abeyta	Member
Marcella Gerhardt	Member

School Officials

Richard Perea	Superintendent
Sonia Tenorio	Business Manager

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Santa Rosa Consolidated Schools

Mr. Keller and Members of the Board

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, and the budgetary comparisons for the general funds and major special revenue funds of Santa Rosa Consolidated Schools (District), as of and for the year ended June 30, 2016, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents. We also have audited the financial statements of each of the District's nonmajor governmental funds, and the budgetary comparisons for the major capital projects and all nonmajor funds presented as supplementary information, as defined by the Government Accounting Standards Board, in the accompanying combining and individual fund financial statements as of and for the year ended June 30, 2016, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2016 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

De'Ann Willoughby CPA PC

Clovis, New Mexico

October 7, 2016

Financial Section

State of New Mexico
Santa Rosa Consolidated Schools
Government-Wide Statement of Net Position
June 30, 2016

	Governmental Activities
Assets	
Current Assets	
Cash and Cash Equivalents	\$ 796,999
Taxes Receivable	100,473
Due from Grantor	620,782
Inventory	12,733
Total Current Assets	1,530,987
Noncurrent Assets	
Capital Assets	30,923,924
Less: Accumulated Depreciation	(14,519,307)
Total Noncurrent Assets	16,404,617
Total Assets	17,935,604
Deferred Outflows of Resources	
Deferred Outflows Related to Pensions	
Changes of Assumptions	349,665
Changes in Proportion	254,087
Contributions Subsequent to Measurement Date	578,776
Total Deferred Outflows of Resources	1,182,528
Liabilities	
Current Liabilities	
Accounts Payable	30,109
Accrued Interest	9,840
Current Portion Due of Long-Term Debt	375,000
Total Current Liabilities	414,949
Noncurrent Liabilities	
Bonds Payable	3,725,000
Pension Liability	10,166,069
Total Noncurrent Liabilities	13,891,069
Total Liabilities	14,306,018
Deferred Inflows of Resources	
Deferred Inflows Related to Pensions	
Actuarial Experience	188,470
Investment Experience	45,760
Total Deferred Inflows of Resources	234,230
Net Position	
Invested in Net Capital Assets	12,304,617
Restricted for:	
Capital Projects	427,182
Debt Service	112,720
Unrestricted	(8,266,635)
Total Net Position	\$ 4,577,884

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

State of New Mexico
Santa Rosa Consolidated Schools
Government-Wide Statement of Activities
For the Year Ended June 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Instruction	\$ 4,175,067	60,627	\$ 610,568	\$ 0	\$ (3,503,872)
Support Services					
Students	715,952	82,255	80,406	0	(553,291)
Instruction	140,184	0	15,084	0	(125,100)
General Administration	268,851	0	14,606	0	(254,245)
School Administration	559,005	0	3,954	0	(555,051)
Central Services	227,401	0	0	0	(227,401)
Operation of Plant	1,677,107	0	0	0	(1,677,107)
Student Transportation	545,646	0	439,149	0	(106,497)
Other	8,609	0	0	0	(8,609)
Food Services Operations	478,954	26,117	475,381	0	22,544
Interest Expense	99,007	0	0	0	(99,007)
Total Governmental Activities	\$ 8,895,783	\$ 168,999	\$ 1,639,148	\$ 0	(7,087,636)
General Revenues					
Taxes					
Property Taxes, Levied for General Purposes					
43,971					
Property Taxes, Levied for Capital Projects					
196,582					
Property Taxes, Levied for Debt Service					
433,045					
Federal and State aid not restricted to specific purpose					
General					
6,060,624					
Capital					
217,178					
Interest and investment earnings					
13,389					
Miscellaneous					
111,855					
Subtotal, General Revenues					
7,076,644					
Change in Net Position					
(10,992)					
Net Position - Beginning					
4,669,947					
Restatement					
(81,071)					
Restated Beginning Net Position					
4,588,876					
Net Position - Ending					
\$ 4,577,884					

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

State of New Mexico
Santa Rosa Consolidated Schools
 Governmental Funds
 Balance Sheet
 June 30, 2016

	General		
	Operational 11000	Transportation 13000	Instructional Materials 14000
Assets			
Cash and Cash Equivalents	\$ 2,316	\$ 4,491	\$ 57,269
Receivables			
Taxes	5,542	0	0
Due From Grantor	0	0	0
Interfund Balance	620,782	0	0
Inventory	0	0	0
Total Assets	<u>\$ 628,640</u>	<u>\$ 4,491</u>	<u>\$ 57,269</u>
Liabilities			
Accounts Payable	\$ 25,787	\$ 2,274	\$ 0
Interfund Balance	0	0	0
Total Liabilities	<u>25,787</u>	<u>2,274</u>	<u>0</u>
Deferred Inflows of Resources			
Unavailable Revenue	4,883	0	0
Total Deferred Inflows of Resources	<u>4,883</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned	597,970	2,217	57,269
Total Fund Balances	<u>597,970</u>	<u>2,217</u>	<u>57,269</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 628,640</u>	<u>\$ 4,491</u>	<u>\$ 57,269</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
 Governmental Funds
 Balance Sheet
 June 30, 2016

	Special Revenue		Capital Projects
	Title I 24101	IDEA B Entitlement 24106	Special State 31400
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	138,015	127,746	174,997
Interfund Balance	0	0	0
Inventory	0	0	0
Total Assets	<u>\$ 138,015</u>	<u>\$ 127,746</u>	<u>\$ 174,997</u>
Liabilities			
Accounts Payable	\$ 0	\$ 0	\$ 0
Interfund Balance	138,015	127,746	174,997
Total Liabilities	<u>138,015</u>	<u>127,746</u>	<u>174,997</u>
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue Funds	0	0	0
Capital Improvements	0	0	0
Debt Service	0	0	0
Unassigned	0	0	0
Total Fund Balances	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 138,015</u>	<u>\$ 127,746</u>	<u>\$ 174,997</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
Governmental Funds
Balance Sheet
June 30, 2016

	<u>Capital Projects</u>		
	<u>Senate Bill Nine 31700</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and Cash Equivalents	\$ 401,091	\$ 331,832	\$ 796,999
Receivables			
Taxes	27,497	67,434	100,473
Due From Grantor	0	180,024	620,782
Interfund Balance	0	0	620,782
Inventory	0	12,733	12,733
Total Assets	<u>\$ 428,588</u>	<u>\$ 592,023</u>	<u>\$ 2,151,769</u>
Liabilities			
Accounts Payable	\$ 1,767	\$ 281	\$ 30,109
Interfund Balance	0	180,024	620,782
Total Liabilities	<u>1,767</u>	<u>180,305</u>	<u>650,891</u>
Deferred Inflows of Resources			
Unavailable Revenue	20,486	64,297	89,666
Total Deferred Inflows of Resources	<u>20,486</u>	<u>64,297</u>	<u>89,666</u>
Fund Balances			
Nonspendable-Inventory	0	12,733	12,733
Restricted for:			
Special Revenue Funds	0	201,121	201,121
Capital Improvements	406,335	20,847	427,182
Debt Service	0	112,720	112,720
Unassigned	0	0	657,456
Total Fund Balances	<u>406,335</u>	<u>347,421</u>	<u>1,411,212</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 428,588</u>	<u>\$ 592,023</u>	<u>\$ 2,151,769</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
 Reconciliation of the Governmental Funds
 Balance Sheet to the Statement of Net Position
 June 30, 2016

Total Fund Balance - Governmental Funds \$ 1,411,212

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

Property taxes receivable will be collected after the period of availability, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds. 89,666

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

Capital Assets	\$ 30,923,924	
Accumulated Depreciation	<u>(14,519,307)</u>	16,404,617

Deferred Outflows and Inflows Related to Pensions are the results of differences in expected and actual actuary experience and the difference in actuary projected and actual earnings. Also changes in proportion and differences between contributions and proportionate share of contributions.

Deferred Outflows Related to Pensions	1,182,528	
Deferred Inflows Related to Pensions	<u>(234,230)</u>	948,298

Long-term and certain other liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term and other liabilities at year end consist of :

Bond Payable	(4,100,000)	
Pension Liability	(10,166,069)	
Accrued Interest	<u>(9,840)</u>	<u>(14,275,909)</u>

Total Net Position - Governmental Activities \$ 4,577,884

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

State of New Mexico
Santa Rosa Consolidated Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2016

	General		
	Operational	Transportation	Instructional
	11000	13000	Materials 14000
Revenues			
Property Taxes	\$ 44,885	\$ 0	\$ 0
Fees	14,607	0	0
State & Local Grants	6,060,624	439,149	44,536
Federal Grants	0	0	0
Interest Income	0	0	0
Miscellaneous	110,087	0	0
Total Revenues	<u>6,230,203</u>	<u>439,149</u>	<u>44,536</u>
Expenditures			
Current			
Instruction	3,186,382	0	21,035
Support Services			
Students	555,723	0	0
Instruction	115,511	0	0
General Administration	239,085	0	0
School Administration	514,435	0	0
Central Services	194,789	0	0
Operation of Plant	1,024,216	0	0
Student Transportation	538	445,666	0
Other	8,609	0	0
Food Service Operations	41,197	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>5,880,485</u>	<u>445,666</u>	<u>21,035</u>
Excess (Deficiency) of Revenues Over Expenditures	349,718	(6,517)	23,501
Fund Balances at Beginning of Year	<u>248,252</u>	<u>8,734</u>	<u>33,768</u>
Fund Balance End of Year	<u>\$ 597,970</u>	<u>\$ 2,217</u>	<u>\$ 57,269</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2016

	<u>Special Revenue</u>		<u>Capital Projects</u>
	<u>Title I 24101</u>	<u>IDEA B Entitlement 24106</u>	<u>Special State 31400</u>
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	174,997
Federal Grants	201,818	162,555	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>201,818</u>	<u>162,555</u>	<u>174,997</u>
Expenditures			
Current			
Instruction	193,386	111,704	0
Support Services			
Students	0	47,888	0
Instruction	0	0	0
General Administration	8,432	2,963	0
School Administration	0	0	0
Central Services	0	0	0
Operation of Plant	0	0	0
Student Transportation	0	0	0
Other	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	174,997
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>201,818</u>	<u>162,555</u>	<u>174,997</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
Governmental Funds
Statement of Revenues, Expenditures and Changes
in Fund Balance
For the Year Ended June 30, 2016

	<u>Capital Projects</u>		
	<u>Senate Bill Nine 31700</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property Taxes	\$ 203,441	\$ 442,635	\$ 690,961
Fees	0	154,392	168,999
State & Local Grants	0	287,084	7,006,390
Federal Grants	0	546,187	910,560
Interest Income	0	13,389	13,389
Miscellaneous	0	1,768	111,855
Total Revenues	<u>203,441</u>	<u>1,445,455</u>	<u>8,902,154</u>
Expenditures			
Current			
Instruction	10,901	298,400	3,821,808
Support Services			
Students	0	79,932	683,543
Instruction	0	15,084	130,595
General Administration	1,559	6,705	258,744
School Administration	0	3,954	518,389
Central Services	0	0	194,789
Operation of Plant	89,900	34,508	1,148,624
Student Transportation	0	0	446,204
Other	0	0	8,609
Food Service Operations	0	422,693	463,890
Capital Outlay	36,637	140,913	352,547
Debt Service			
Principal	0	475,000	475,000
Interest	0	101,044	101,044
Total Expenditures	<u>138,997</u>	<u>1,578,233</u>	<u>8,603,786</u>
Excess (Deficiency) of Revenues Over Expenditures	64,444	(132,778)	298,368
Fund Balances at Beginning of Year	<u>341,891</u>	<u>480,199</u>	<u>1,112,844</u>
Fund Balance End of Year	<u>\$ 406,335</u>	<u>\$ 347,421</u>	<u>\$ 1,411,212</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
 Reconciliation of the Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balance
 To the Statement of Activities
 June 30, 2016

Excess (Deficiency) of Revenues Over Expenditures \$ 298,368

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

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

Property Taxes Receivable, June 30, 2015	\$ (107,030)	
Property Taxes Receivable, June 30, 2016	<u>89,667</u>	(17,363)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Depreciation expense	(793,585)	
Capital Outlays	<u>352,547</u>	(441,038)

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

475,000

In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.

Accrued Interest, June 30, 2015	11,877	
Accrued Interest, June 30, 2016	<u>(9,840)</u>	2,037

Pension contributions are reported as expenses in the government funds but are deferred outflows in the Statement of Net Position. Pension Expense is reported in the Statement of Activities but not in the governmental funds.

Pension Contributions	578,776	
Pension Expense	<u>(906,772)</u>	<u>(327,996)</u>

Changes in Net Position of Governmental Activities \$ (10,992)

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 43,128	\$ 43,128	\$ 44,791	\$ 1,663
Interest Income	4,500	4,500	12,432	7,932
Fees	10,000	10,000	14,607	4,607
State Grant	6,050,567	6,065,669	6,060,624	(5,045)
Miscellaneous	37,693	37,693	97,655	59,962
Total Revenues	<u>6,145,888</u>	<u>6,160,990</u>	<u>6,230,109</u>	<u>69,119</u>
Expenditures				
Instruction				
Personnel Services	2,443,765	2,443,765	2,269,929	173,836
Employee Benefits	914,002	914,002	813,260	100,742
Professional & Tech Services	10,627	10,627	10,473	154
Purchased Property Services	10,000	10,000	4,686	5,314
Other Purchased Services	2,960	2,960	3,794	(834)
Supplies	104,500	104,500	82,645	21,855
Supply Assets	1,500	1,500	2,585	(1,085)
Total Instruction	<u>3,487,354</u>	<u>3,487,354</u>	<u>3,187,372</u>	<u>299,982</u>
Support Services				
Students				
Personnel Services	327,185	294,351	294,162	189
Employee Benefits	74,918	100,907	96,582	4,325
Professional & Tech Services	185,026	177,761	163,818	13,943
Other Purchased Services	563	78	0	78
Supplies	1,500	1,500	1,161	339
Supply Assets	200	200	0	200
Total Students	<u>589,392</u>	<u>574,797</u>	<u>555,723</u>	<u>19,074</u>
Instruction				
Personnel Services	53,366	70,415	70,414	1
Employee Benefits	33,958	41,972	37,962	4,010
Supplies	9,881	7,875	7,135	740
Total Instruction	<u>97,205</u>	<u>120,262</u>	<u>115,511</u>	<u>4,751</u>
General Administration				
Personnel Services	107,600	111,302	111,301	1
Employee Benefits	45,171	45,785	43,392	2,393
Professional & Tech Services	43,584	52,213	52,104	109
Other Purchased Services	15,835	18,861	18,706	155
Supplies	13,234	12,981	12,832	149
Supply Assets	2,000	722	722	0
Total General Administration	<u>\$ 227,424</u>	<u>\$ 241,864</u>	<u>\$ 239,057</u>	<u>\$ 2,807</u>

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
School Administration				
Personnel Services	\$ 370,701	\$ 377,305	\$ 376,978	\$ 327
Employee Benefits	148,689	126,664	123,432	3,232
Professional & Tech Services	5,433	7,831	7,578	253
Purchased Property Services	0	8,377	1,883	6,494
Other Purchased Services	600	376	374	2
Supplies	5,000	5,661	5,403	258
Supply Assets	2,500	0	0	0
Total School Administration	<u>532,923</u>	<u>526,214</u>	<u>515,648</u>	<u>10,566</u>
Central Services				
Personnel Services	137,885	136,132	136,131	1
Employee Benefits	65,957	51,368	46,214	5,154
Professional & Tech Services	9,096	10,135	9,899	236
Purchased Property Services	1,090	1,457	1,454	3
Other Purchased Services	2,914	1,731	926	805
Supplies	2,230	1,193	528	665
Supply Assets	1,000	1,000	0	1,000
Total Central Services	<u>220,172</u>	<u>203,015</u>	<u>195,152</u>	<u>7,863</u>
Operation of Plant				
Personnel Services	304,235	283,191	275,139	8,052
Employee Benefits	144,380	139,683	126,193	13,490
Professional & Tech Services	0	336	334	2
Purchased Property Services	306,909	356,757	303,999	52,758
Other Purchased Services	238,358	256,824	255,528	1,296
Supplies	90,000	72,999	70,978	2,021
Supply Assets	10,000	1,456	1,456	0
Total Operation of Plant	<u>1,093,882</u>	<u>1,111,246</u>	<u>1,033,627</u>	<u>77,619</u>
Student Transportation				
Professional & Tech Services	0	0	0	0
Purchased Property Services	0	110	108	2
Supplies	0	550	538	12
Total Student Transportation	<u>0</u>	<u>660</u>	<u>646</u>	<u>14</u>
Other Support Service				
Other Support Services	<u>18,588</u>	<u>18,588</u>	<u>8,609</u>	<u>9,979</u>
Total Other Support Service	<u>18,588</u>	<u>18,588</u>	<u>8,609</u>	<u>9,979</u>
Total Support Services	\$ <u>2,779,586</u>	\$ <u>2,796,646</u>	\$ <u>2,663,973</u>	\$ <u>132,673</u>

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Food Service				
Purchased Property Services	\$ 17,535	\$ 21,972	\$ 15,655	\$ 6,317
Other Purchased Services	8,880	10,211	9,983	228
Supplies	2,000	2,107	2,052	55
Total Food Service	<u>28,415</u>	<u>34,290</u>	<u>27,690</u>	<u>6,600</u>
Total Expenditures	<u>6,295,355</u>	<u>6,318,290</u>	<u>5,879,035</u>	<u>439,255</u>
Excess (Deficiency) of Revenues Over Expenditures	(149,467)	(157,300)	351,074	508,374
Cash Balance Beginning of Year	<u>272,024</u>	<u>272,024</u>	<u>272,024</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 122,557</u>	<u>\$ 114,724</u>	<u>\$ 623,098</u>	<u>\$ 508,374</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ 351,074	
Net Change in Taxes Receivable			(820)	
Net Change in Accounts Payable			(1,450)	
Net Change in Deferred Revenue			914	
Net Change in Fund Balance			<u>\$ 349,718</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
 General Fund-Transportation-13000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 416,772	439,149	\$ 439,149	\$ 0
Total Revenues	<u>416,772</u>	<u>439,149</u>	<u>439,149</u>	<u>0</u>
Expenditures				
Support Services				
Student Transportation				
Personnel Services	200,354	210,446	210,446	0
Employee Benefits	132,091	116,336	116,221	115
Professional & Tech Services	4,165	2,923	2,923	0
Purchased Property Services	6,634	17,731	17,730	1
Other Purchased Services	40,477	32,026	32,024	2
Supplies	30,391	47,433	47,431	2
Supply Assets	2,660	12,250	12,250	0
Total Student Transportation	<u>416,772</u>	<u>439,145</u>	<u>439,025</u>	<u>120</u>
Total Support Services	<u>416,772</u>	<u>439,145</u>	<u>439,025</u>	<u>120</u>
Total Expenditures	<u>416,772</u>	<u>439,145</u>	<u>439,025</u>	<u>120</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>4</u>	<u>124</u>	<u>(120)</u>
Other Financing Sources (Uses)				
Returned to the State	<u>0</u>	<u>4,367</u>	<u>4,367</u>	<u>0</u>
Total Other Sources (Uses)	<u>0</u>	<u>4,367</u>	<u>4,367</u>	<u>0</u>
Net Change in Cash Balance	0	(4,363)	(4,243)	120
Cash Balance Beginning of Year	<u>8,734</u>	<u>8,734</u>	<u>8,734</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 8,734</u>	<u>\$ 4,371</u>	<u>\$ 4,491</u>	<u>\$ 120</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance			\$ (4,243)	
Net Change in Accounts Payable			(2,274)	
Net Change in Fund Balance			<u>\$ (6,517)</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
 General Fund-Instructional Materials-14000
 Statement of Revenues, Expenditures, and Changes in Cash Balance -
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 24,612	\$ 34,612	\$ 44,536	\$ 9,924
Total Revenues	<u>24,612</u>	<u>34,612</u>	<u>44,536</u>	<u>9,924</u>
Expenditures				
Instruction				
Supplies	79,966	79,966	21,035	58,931
Total Instruction	<u>79,966</u>	<u>79,966</u>	<u>21,035</u>	<u>58,931</u>
Total Expenditures	<u>79,966</u>	<u>79,966</u>	<u>21,035</u>	<u>58,931</u>
Excess (Deficiency) of Revenues Over Expenditures	(55,354)	(45,354)	23,501	68,855
Cash Balance Beginning of Year	<u>33,768</u>	<u>33,768</u>	<u>33,768</u>	<u>0</u>
Cash Balance End of Year	\$ <u>(21,586)</u>	\$ <u>(11,586)</u>	\$ <u>57,269</u>	\$ <u>68,855</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ <u>23,501</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>23,501</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 274,498	\$ 308,215	\$ 143,096	\$ (165,119)
Total Revenues	<u>274,498</u>	<u>308,215</u>	<u>143,096</u>	<u>(165,119)</u>
Expenditures				
Instruction				
Personnel Services	100,066	112,904	112,796	108
Employee Benefits	57,073	60,940	45,582	15,358
Professional & Tech Services	12,100	5,435	5,552	(117)
Other Purchased Services	1,000	811	133	678
Supplies	16,810	35,349	25,467	9,882
supply Assets	0	3,857	3,856	1
Total Instruction	<u>187,049</u>	<u>219,296</u>	<u>193,386</u>	<u>25,910</u>
Support Services				
General Administration				
Professional & Tech Services	8,155	9,625	8,431	1,194
Total General Administration	<u>8,155</u>	<u>9,625</u>	<u>8,431</u>	<u>1,194</u>
Total Support Services	<u>8,155</u>	<u>9,625</u>	<u>8,431</u>	<u>1,194</u>
Total Expenditures	<u>195,204</u>	<u>228,921</u>	<u>201,817</u>	<u>27,104</u>
Excess (Deficiency) of Revenues Over Expenditures	79,294	79,294	(58,721)	(138,015)
Cash Balance Beginning of Year	<u>(79,294)</u>	<u>(79,294)</u>	<u>(79,294)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (138,015)</u>	<u>\$ (138,015)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (58,721)	
Net Change in Due from Grantor			58,721	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-IDEA B Entitlement-24106
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 260,846	\$ 328,803	\$ 119,019	\$ (209,784)
Total Revenues	<u>260,846</u>	<u>328,803</u>	<u>119,019</u>	<u>(209,784)</u>
Expenditures				
Instruction				
Personnel Services	57,807	63,374	63,371	3
Employee Benefits	43,124	42,784	24,854	17,930
Professional & Tech Services	3,947	5,916	0	5,916
Other Purchased Services	2,000	2,000	0	2,000
Supplies	11,860	37,504	22,711	14,793
Supply Assets	6,100	34,100	769	33,331
Total Instruction	<u>124,838</u>	<u>185,678</u>	<u>111,705</u>	<u>73,973</u>
Support Services				
Students				
Personnel Services	36,000	38,546	37,910	636
Employee Benefits	8,759	9,374	9,179	195
Professional & Tech Services	5,000	6,000	800	5,200
Other Purchased Services	1,000	1,000	0	1,000
Supplies	1,041	1,034	0	1,034
Supply Assets	0	0	0	0
Total Students	<u>51,800</u>	<u>55,954</u>	<u>47,889</u>	<u>8,065</u>
Support Services				
General Administration				
Professional & Tech Services	0	2,963	2,963	0
Total General Administration	<u>0</u>	<u>2,963</u>	<u>2,963</u>	<u>0</u>
Total Support Services	<u>51,800</u>	<u>58,917</u>	<u>50,852</u>	<u>8,065</u>
Total Expenditures	<u>176,638</u>	<u>244,595</u>	<u>162,557</u>	<u>82,038</u>
Excess (Deficiency) of Revenues Over Expenditures	84,208	84,208	(43,538)	(127,746)
Cash Balance Beginning of Year	<u>(84,208)</u>	<u>(84,208)</u>	<u>(84,208)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (127,746)</u>	<u>\$ (127,746)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (43,538)	
Net Change in Due from Grantor			43,538	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Statement of Fiduciary Assets and Liabilities-Agency Funds
June 30, 2016

	<u>Agency Funds</u>
Assets	
Cash and Cash Equivalents	\$ <u>103,926</u>
Total Assets	\$ <u><u>103,926</u></u>
Liabilities	
Deposits Held for Others	\$ <u>103,926</u>
Total Liabilities	\$ <u><u>103,926</u></u>

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

Summary of Significant Accounting Policies

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

Financial Reporting Entity

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

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

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

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

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

Governmental Funds

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

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

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

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

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

Fiduciary Fund Type

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

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

Major Funds

The District reports the following major governmental funds:

General Fund (11000)(13000)(14000).The General Fund consist of 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 Transportation Fund includes a state grant to provide transportation for students in the District. The Instructional Materials Fund accounts for a state grant to provide text books for students in the District.

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

IDEA B Entitlement (24106). To account for a program funded by a Federal grant to assist the District in providing free appropriate public education to all handicapped children. Funding authorized by the Individuals with Disabilities Education Act, Part B, Sections 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100-639, and 101-476, 20 U. S. C. 1411-1420. The fund was created by the authority of federal grant provisions.

Special State Capital Outlay (31400). To account for a grant received from the state for capital improvements.

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary Funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirement of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program Revenues

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues. Program revenues include: 1) charges for services to students or applicants who purchase, use or directly benefit from the goods or services provided by the given function 2) program-specific operating grants and contributions, Transportation, Food Service, Special Revenue Funds such as special education as well as others., and 3) program specific capital grants and contributions.

Fund Financial Statements (FFS)

Governmental Funds

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 30 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Any effect of interfund activity has been eliminated from the district-wide financial statements.

Revenues

Taxes. Ad valorem taxes are susceptible to full accrual on the government wide financial statements. Property Tax revenues recognize revenues net of estimated refunds and uncollectible accounts in the period for which the taxes are levied.

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

Revenue Recognition for Grants.

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

1. Required characteristics of recipients. The recipient has the characteristics specified by the provider (are required to be school districts).
2. Time requirements. Time requirements specified by enabling legislation or the provider have been met (period when the resources are required to be used).
3. Reimbursements. The provider offers resources on a reimbursement ("expenditure-driven") basis and the recipient has incurred allowable costs under the applicable program.
4. Contingencies. The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred (the recipient has raised the matching funds).

Entitlement and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met and the susceptible to accrual criteria have been met.

Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are paid prior to the end of the fiscal year and therefore are not accrued. Salaries for the twelve month employees payroll are accrued.

Other Financing Sources (Uses)

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

Basis of Budgeting

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

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

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

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

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

The District is authorized under the provisions of Chapter 6, Article 10, paragraph 10, NMSA 1978, to deposit its money in banks, savings and loan associations and/or credit unions whose accounts are insured by an agency of the United States.

Investments

All money not immediately necessary for the public uses of the District may be invested in :

- (a) bonds or negotiable securities of the United States, the state or any county, municipality or school district which has a taxable valuation of real property for the last preceding year of at least one million dollars (1,000,000) and has not defaulted in the payment of any interest or sinking fund obligation or failed to meet any bonds at maturity at any time within five years last preceding; or
- (b) securities that are issued by the United States government or by its agencies or instrumentalities and that are either direct obligations of the United States or are backed by the full faith and credit of the United States government or agencies guaranteed by the United States government.
- (c) in contracts with banks, savings and loan associations or credit unions for the present purchase and resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the investor. The contract shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with the investment. The contract shall be fully secured by obligations of the United States having a market value of at least one hundred two percent of the contract. The collateral required for investment in the contracts provided for in this subsection shall be shown on the books of the financial institution as being the property of the investor and the designation shall be contemporaneous with investment.

Receivables and Payables

Receivables include property taxes, interfund loans that are expected to be paid back and amount due from state government agencies related to various grant agreements. Payables represent routine monthly bills for services rendered and products purchased and accrued salaries and benefits.

Property Taxes

The County collects the District's share of property taxes assessed. Property taxes attach an enforceable lien on property as of January 1st. Tax notices are sent by the County treasurer to property owners by November 1st of each year to be paid in whole or in two installments by November 10th and April 10th of each year. The County collects such taxes and distributes them to the District on a monthly basis. The District accounts for its share of property taxes in the General, Debt Service and Capital Projects Funds. Only those collections received are recorded as revenues for the budget presentation.

Elimination and Reclassifications of Certain Receivables and Payables

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Inventories and Prepaid Items

Purchased inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Cafeteria Fund consists of purchased food and non-food items and United States Department of Agriculture (USDA) commodities. Commodities are shown at the USDA procurement cost. Costs are recorded as expenditures at the time individual inventory items are used (consumption method). Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both District-wide and fund financial statements.

Capital Assets

Capital assets are recorded at historical costs and depreciated over their estimated useful lives (with no salvage value). Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Donated capital assets are recorded at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

If there are any construction projects funded by the NM Public School Facilities Authority they are included in the appropriate capital projects fund and in the capital assets.

Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings & Improvements	20-50 Years
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3-15 Years

Capital Leases

Capital leases are recorded at the inception of the leases as expenditures and other financing sources in governmental fund financial statement at the present value of the future minimum lease payments, using the stated or implicit interest rate in the leases. Lease payments are recorded as expenditures on the due date. Capital leases are recorded as a liability in the government-wide financial statement at the time of inception and the corresponding asset is recorded in the capital asset section on the balance sheet.

Short -Term Debt

Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans. The District does not have any activity in short-term debt.

Long-Term Liabilities

For district-wide reporting, the costs associated with the bonds are recognized over the life of the bond. As permitted by GASB Statement No. 34 the amortization of the costs of bonds will be amortized prospectively from the date of adoption of GASB Statement No. 34.

Restricted Net Position

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

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

Imposed by law through constitutional provisions or enabling legislation.

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

Fund Balances of Fund Financial Statements

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

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

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

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

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

Interfund Transfers

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

Deferred Outflows

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

Compensated Absences

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

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

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

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

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

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

Estimates

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

A. Deposits and Investments

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

First National Bank

<u>Name of Account</u>	Balance Per Bank 6/30/16	Reconciled Balance	<u>Type</u>
Operational	\$ 1,011,596	\$ 499,234	Interest
Investment Account	401,691	401,691	Interest
Total Deposited	<u>1,413,288</u>	<u>\$ 900,925</u>	
Less: FDIC Coverage	<u>(250,000)</u>		
Uninsured Amount	1,163,288		
50% collateral requirement	581,644		
Pledged securities	<u>1,949,325</u>		
Over (Under) requirement	<u>\$ 1,367,681</u>		

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

The following securities are pledged at **First National Bank**:

<u>Description</u>	<u>CUSIP #</u>	<u>Market Value</u>	<u>Maturity Date</u>	<u>Location</u>
FHLB	094077KS2	\$ 323,419	09/01/2023	Memphis, TN
FHLB	54422NCS3	302,926	08/01/2016	Memphis, TN
FHLB	3128E5ZM4	415,747	12/01/2031	Memphis, TN
FHLB	3133EC6Y5	500,623	12/12/2022	Memphis, TN
FHLB	63162CXU2	406,610	08/01/2015	Memphis, TN
		<u>\$ 1,949,325</u>		

Custodial Credit Risk-Deposits

<u>Depository Account</u>	Bank Balance
Insured	\$ 250,000
Collateralized:	
Collateral held by the pledging bank in District's name	1,163,288
Uninsured and uncollateralized	0
Total Deposits	<u>\$ 1,413,288</u>

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2016 none of the District's balance of \$1,413,288 was exposed to custodial risk.

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B. Receivables

Following is a schedule of receivables as of June 30, 2016:

	General Fund 11000	Senate Bill Nine 31700	Other Governmental Funds	
Property Taxes Available	\$ 5,542	\$ 27,497	\$ 67,434	
Unavailable	4,883	20,486	64,297	
	<u>\$ 10,425</u>	<u>\$ 47,983</u>	<u>\$ 131,731</u>	
	Title I 24,101	IDEA B Entitlement 24,106	Special State 31,400	Other Governmental Funds
Due From Grantors:				
State	\$ 0	\$ 0	\$ 174,997	\$ 124,387
Federal Agencies	138,015	127,746	0	55,637
	<u>\$ 138,015</u>	<u>\$ 127,746</u>	<u>\$ 174,997</u>	<u>\$ 180,024</u>

C. Interfund Receivables, Payables and Transfers

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

Due to General Fund from:	
Title I 24101	\$ 138,015
IDEA B Entitlement-24106	127,746
Special State-31400	174,997
Other Governmental Funds	180,024
Totals	<u>\$ 620,782</u>

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

D. Capital Assets

Capital Assets Balances and Activity for the Year Ended June 30, 2016, is as follows:

	Balance 6/30/15	Increases	Adjustments	Balance 6/30/16
Governmental Activities				
Capital Assets not being Depreciated				
Land	\$ 878,554	\$ 0	\$ 0	\$ 878,554
Total Capital Assets not being Depreciated	<u>\$ 878,554</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 878,554</u>
Capital Assets, being Depreciated				
Buildings & Improvements	\$ 26,426,574	\$ 140,459	\$ 64,409	\$ 26,631,442
Equipment, Vehicles, Information Technology Equipment, Software & Library Books	3,308,959	212,087	(107,119)	3,413,927
Total Capital Assets, being Depreciated	<u>29,735,533</u>	<u>352,546</u>	<u>(42,710)</u>	<u>30,045,369</u>
Total Capital Assets	<u>\$ 30,614,087</u>	<u>\$ 352,546</u>	<u>\$ (42,710)</u>	<u>\$ 30,923,923</u>

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Less Accumulated Depreciation								
Buildings & Improvements	\$	10,885,215	\$	616,627	\$	637,908	\$	12,139,750
Equipment, Vehicles, Information Technology Equipment, Software & Library Books		<u>2,802,146</u>		<u>176,958</u>		<u>(599,547)</u>		<u>2,379,557</u>
Total Accumulated Depreciation		<u>13,687,361</u>		<u>793,585</u>		<u>(599,547)</u>		<u>14,519,307</u>
Capital Assets, net	\$	<u>16,926,726</u>	\$	<u>(441,039)</u>	\$	<u>556,837</u>	\$	<u>16,404,616</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$	154,814
Support Services		
Students		4,190
Instruction		4,155
General Administration		1,518
School Administration		11,279
Central Services		22,107
Operation & Maintenance of Plant		507,251
Student Transportation		83,203
Food Services Operations		5,068
Total Depreciation Expenses	\$	<u>793,585</u>

E. Commitments

The District has no construction commitments on June 30, 2016.

F. Long-Term Debt and Other Liabilities

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

	Balance 6/30/15	Additions	Reductions	Balance 6/30/16	Amounts Due Within One Year
Governmental Activities					
Bonds and Notes Payable					
General Obligation					
Bonds	\$ 4,575,000	\$ 0	\$ 475,000	\$ 4,100,000	\$ 375,000
Total Bonds	<u>4,575,000</u>	<u>0</u>	<u>475,000</u>	<u>4,100,000</u>	<u>375,000</u>
Long-Term Liabilities	\$ <u>4,575,000</u>	\$ <u>0</u>	\$ <u>475,000</u>	\$ <u>4,100,000</u>	\$ <u>375,000</u>

Payments on the general obligation bonds are made by the Debt Service Funds.

General Obligation Bonds.

The following bonds were issued for the purpose of erecting, furnishing, remodeling and making additions to District buildings and improving District grounds. A tax is annually assessed, levied and collected upon all taxable property within the District for the purpose of providing the necessary funds to meet the interest and principal payments as they become due.

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Series	Date of Issue	Original Amount	Interest Rate	Balance
2003	9/15/03	440,000	1.5%-4.9%	\$ 0
2012	5/15/12	4,500,000	1.0%-2.5%	3,550,000
2013	6/15/13	700,000	2.2%-2.6%	550,000
				<u>\$ 4,100,000</u>

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

	Principal	Interest	Total
2017	\$ 375,000	\$ 90,994	\$ 465,994
2018	400,000	83,394	483,394
2019	400,000	75,294	475,294
2020	450,000	67,194	517,194
2021	475,000	58,044	533,044
2022-2025	2,000,000	124,162	2,124,162
Total	<u>\$ 4,100,000</u>	<u>\$ 499,082</u>	<u>\$ 4,599,082</u>

G. Retirement Plan
Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

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

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

The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For fiscal year ended June 30, 2015 employers contributed 13.90%, and employees earning \$20,000 or less continued to contribute 7.90% and employees earning more than \$20,000 contributed an increased amount of 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$578,776 for the year ended June 30, 2016.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District reported a liability of \$10,166,069 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District proportion was 0.15695%, which was an increase of 0.00835% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$906,772. At the June 30, 2016, the District reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 0	\$ 188,470
Changes of assumptions	349,665	0
Net difference between projected and actual earnings on pension plan investments	0	45,760
Changes in proportion and differences between the District's contributions and proportionate share of contributions	254,087	0
District's contributions subsequent to the measurement date	578,776	0
Total	\$ <u>1,182,528</u>	\$ <u>234,230</u>

\$578,776 reported as deferred outflows of resources related to pensions resulting from District's contributions subsequent to the measurement date June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2017	\$ 110,247
2018	100,023
2019	18,057
2020	141,195
Total	\$ <u>369,522</u>

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

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

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

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

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

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

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

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

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

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

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

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
The Districts' proportionate share of the net pension liability	\$ 13,679,126	\$ 10,166,069	\$ 7,214,737

Pension plan fiduciary net position. Detailed information about the ERB's fiduciary net position is available in the separately issued audited financial statements as of and for June 30, 2014 and 2013 which are publicly available at www.nmerb.org.

Payables to the pension plan. Employers should disclose the amount of payables to the Plan with a description of what gave rise to the payable per GASB Statement 68, paragraphs 122 and 124.

H. Retiree Health Care

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

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

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

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

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

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

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$73,425, \$99,885, and \$85,042 respectively, which equal the required contributions for each year.

I. Reconciliation of Budgetary Basis to GAAP Basis Statements

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - all Governmental Fund Types is presented on the budgetary basis to provide a comparison of actual results with the budget. The major differences between the budget basis and GAAP (Generally Accepted Accounting Principles) basis are that:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).

B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).

The adjustments necessary to convert the results of operations for the year from GAAP basis to the budget basis for the governmental funds are presented on each individual Statement of Revenues, Expenditures, and Changes in Cash Balance - Budget and Actual (Budgetary Basis).

The reconciliation of budgetary basis to GAAP basis statements are located at the bottom of each budget actual.

J. Contingent Liabilities

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

K. Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; and injuries to employees; and natural disasters. The District, as a New Mexico Public School, is insured through the New Mexico Public Schools Insurance Authority (NMPSIA). Annual premiums are paid by the District to NMPSIA for coverage provided in the following areas:

- Property and Automobile Liability and Physical Damage
- Liability and Civil Rights and Personal Injury
- Contract School Bus Coverage; and
- Crime

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

L. Joint Powers Agreements

The District is part of a joint powers agreement with the Northeast Regional Center Cooperative (NEREC). A regional cooperative center that operates as an agency for school districts and provides cooperative services as its primary service.

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

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

The financial statements for the REC were prepared by an IPA. The audit report is available at the REC located in Las Vegas, New Mexico.

M. Subsequent Events

Subsequent events were evaluated through October 7, 2016, which is the date the financial statements were available to be issued.

N. Restatement

Net Position was restated \$(81,071) to agree the audit to the District's depreciation schedule.

**Supplemental Information Related to
Major Funds**

State of New Mexico

Santa Rosa Consolidated Schools

Capital Projects Fund-Special School Capital Outlay-State-31400

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 25,000	\$ 175,000	\$ 0	\$ 175,000
Total Revenues	<u>25,000</u>	<u>175,000</u>	<u>0</u>	<u>175,000</u>
Expenditures				
Capital Outlay				
Fixed Assets	25,000	175,000	174,997	3
Total Capital Outlay	<u>25,000</u>	<u>175,000</u>	<u>174,997</u>	<u>3</u>
Total Expenditures	<u>25,000</u>	<u>175,000</u>	<u>174,997</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(174,997)	(174,997)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (174,997)</u>	<u>\$ (174,997)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (174,997)	
Net Change in Due from Grantor			<u>174,997</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Capital Projects Fund-Senate Bill Nine-31700

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

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 198,344	\$ 198,344	\$ 199,388	\$ 1,044
State Grant	0	133,132	103,697	(29,435)
Total Revenues	<u>198,344</u>	<u>331,476</u>	<u>303,085</u>	<u>(28,391)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	12,078	12,078	1,559	10,519
Total General Administration	<u>12,078</u>	<u>12,078</u>	<u>1,559</u>	<u>10,519</u>
Total Support Services	<u>12,078</u>	<u>12,078</u>	<u>1,559</u>	<u>10,519</u>
Capital Outlay				
Maintenance	141,174	279,660	82,735	196,925
Supplies	55,050	105,050	5,398	99,652
Fixed Assets	122,413	122,413	36,637	85,776
Supply Assets	0	930	10,901	(9,971)
Total Capital Outlay	<u>318,637</u>	<u>508,053</u>	<u>135,671</u>	<u>372,382</u>
Total Expenditures	<u>330,715</u>	<u>520,131</u>	<u>137,230</u>	<u>382,901</u>
Excess (Deficiency) of Revenues Over Expenditures	(132,371)	(188,655)	165,855	354,510
Cash Balance Beginning of Year	<u>235,236</u>	<u>235,236</u>	<u>235,236</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 102,865</u>	<u>\$ 46,581</u>	<u>\$ 401,091</u>	<u>\$ 354,510</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ 165,855	
Net Change in Taxes Receivable			(2,807)	
Net Change in Due from Grantor			(103,697)	
Net Change in Accounts Payable			(1,767)	
Net Change in Deferred Revenue			6,860	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 64,444</u>	

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

**Supplemental Information Related to
Nonmajor Funds**

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

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

IDEA Preschool (24109). To account for a program funded by a Federal grant to assist the District in providing a free appropriate public education to preschool disabled children aged three through five years. Funding authorized by the Individuals with Disabilities Education Act, Part B, Section 619, as amended, Public Laws 94-142, 99-457, 100-630, 101-497, 101-476, and 102-119. The fund was created by the authority of federal grant provisions.

Fresh Fruit & Vegetables (24118). To account for a Federal grant to provide a variety of free fresh fruits and vegetables to children to help create a healthier school environment. Funding is authorized by the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Act, signed in November 2005, Public Law 109-97.

IDEA B Results Plan (24132). The New Mexico Real Results Plan (NMRRP) is part of New Mexico's State Systemic Improvement Plan, required by the U.S. Department of Education, Office of Special Education Programs. New Mexico's plan supports PED's waiver under the Elementary and Secondary Education Act and the A - F School Grading System. This plan and all its resources specifically target students with disabilities enrolled in Title I schools. PL 108-446 PT B Individuals with Disabilities Education Act.

Improving Teacher Quality (24154). To provide grants to State Education Agencies (SEAs) on a formula basis to increase student academic achievement through strategies such as improving teacher and principal quality and increasing the number of highly qualified teachers in the classroom and highly qualified principals and assistant principals in schools and hold local educational agencies and schools accountable for improvements in student academic achievement. Elementary and Secondary Education Act of 1965, as amended, Title II, Part A (PL 107-110).

Rural & Low Income (24160). To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. The authority for the creation of this fund is the Elementary and Secondary Education Act of 1965 (ESEA), Title VI, Part B, as amended.

Title I School Improvement (24162). To help schools improve the teaching and learning of children failing, or most at-risk of failing and to meet challenging State academic standards. Funding authorization: Elementary and Secondary Education Act of 1965, Title I, Part A, 20 U.S.C. 6301 et seq.

USDA Equipment Assistance (24183). To account for a grant from USDA for the purchase of equipment for the food service program. The fund was created by federal grant authority.

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

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

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

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

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

Breakfast for Elementary (27155). To account for revenues and expenditures from a state grant provided for breakfast for elementary students. The fund was created by state grant provisions.

Pre-K Classrooms (27177). To account for funds provided through the Public Education Department to renovate and construct pre-kindergarten classrooms. The funding was made available through Laws of 2013, SB60, Chapter 226, Section 53

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

Wind Farm Projects (29134). To account for revenue from the wind farm in lieu of property taxes. The fund was created by definition.

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

Debt Service Fund (41000). To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The resources of this fund are generated by a tax levy based upon property values.

State of New Mexico
Santa Rosa Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Assets			
Cash and Cash Equivalents	\$ 106,412	\$ 6,215	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	0	5,631
Inventory	12,733	0	0
Total Assets	\$ 119,145	\$ 6,215	\$ 5,631
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$ 0	0	0
Interfund Balance	0	0	5,631
Total Liabilities	0	0	5,631
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	12,733	0	0
Restricted for:			
Special Revenue	106,412	6,215	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	119,145	6,215	0
Total Liabilities and Fund Balances	\$ 119,145	\$ 6,215	\$ 5,631

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

State of New Mexico
Santa Rosa Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	IDEA B Results Plan 24132	Improving Teacher Quality 24154
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	5,748	3,097	24,972
Inventory	0	0	0
Total Assets	\$ 5,748	\$ 3,097	\$ 24,972
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	5,748	3,097	24,972
Total Liabilities	5,748	3,097	24,972
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	\$ 5,748	\$ 3,097	\$ 24,972

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

State of New Mexico
Santa Rosa Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Rural & Low Income 24160	Title I School Improvement 24162	USDA Equipment Assistance 24183
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	9,922	6,267	0
Inventory	0	0	0
Total Assets	\$ 9,922	\$ 6,267	\$ 0
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	9,922	6,267	0
Total Liabilities	9,922	6,267	0
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	\$ 9,922	\$ 6,267	\$ 0

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

State of New Mexico
Santa Rosa Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Medicaid 25153	Duel Credit Instructional Materials 27103	GO Student Library 27107
Assets			
Cash and Cash Equivalents	\$ 31,253	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	0	689	15,084
Inventory	0	0	0
Total Assets	\$ 31,253	\$ 689	\$ 15,084
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	281	0	0
Interfund Balance	0	689	15,084
Total Liabilities	281	689	15,084
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	30,972	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	30,972	0	0
Total Liabilities and Fund Balances	\$ 31,253	\$ 689	\$ 15,084

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

State of New Mexico
Santa Rosa Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	NM Reads to Lead 27114	Pre-K Initiative 27149	Breakfast for Elementary 27155
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 0
Receivables			
Taxes	0	0	0
Due From Grantor	21,022	63,582	2,383
Inventory	0	0	0
Total Assets	\$ 21,022	\$ 63,582	\$ 2,383
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	21,022	63,582	2,383
Total Liabilities	21,022	63,582	2,383
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	0
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	0	0	0
Total Liabilities and Fund Balances	\$ 21,022	\$ 63,582	\$ 2,383

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

State of New Mexico
Santa Rosa Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	Special Revenue Fund		
	Pre-K Classrooms 27177	NM Grown Fruit & Vegetables 27183	Wind Farm Projects 29134
Assets			
Cash and Cash Equivalents	\$ 0	\$ 0	\$ 57,522
Receivables			
Taxes	0	0	0
Due From Grantor	21,627	0	0
Inventory	0	0	0
Total Assets	\$ 21,627	\$ 0	\$ 57,522
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	0	0	0
Interfund Balance	21,627	0	0
Total Liabilities	21,627	0	0
Deferred Inflows of Resources			
Unavailable Revenue	0	0	0
Total Deferred Inflows of Resources	0	0	0
Fund Balances			
Nonspendable-Inventory	0	0	0
Restricted for:			
Special Revenue	0	0	57,522
Capital Projects	0	0	0
Debt Service	0	0	0
Total Fund Balances	0	0	57,522
Total Liabilities and Fund Balances	\$ 21,627	\$ 0	\$ 57,522

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

State of New Mexico
Santa Rosa Consolidated Schools
 Nonmajor Funds
 Combining Balance Sheet
 June 30, 2016

	<u>Capital Projects</u>		Total
	<u>Bond Building 31100</u>	<u>Debt Service 41000</u>	
Assets			
Cash and Cash Equivalents	\$ 20,847	\$ 109,583	\$ 331,832
Receivables			
Taxes	0	67,434	67,434
Due From Grantor	0	0	180,024
Inventory	0	0	12,733
Total Assets	\$ 20,847	\$ 177,017	\$ 592,023
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	0	0	281
Interfund Balance	0	0	180,024
Total Liabilities	0	0	180,305
Deferred Inflows of Resources			
Unavailable Revenue	0	64,297	64,297
Total Deferred Inflows of Resources	0	64,297	64,297
Fund Balances			
Nonspendable-Inventory	0	0	12,733
Restricted for:			
Special Revenue	0	0	201,121
Capital Projects	20,847	0	20,847
Debt Service	0	112,720	112,720
Total Fund Balances	20,847	112,720	347,421
Total Liabilities and Fund Balances	\$ 20,847	\$ 177,017	\$ 592,023

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

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

	Special Revenue Fund		
	Food Service 21000	Athletics 22000	IDEA Preschool 24109
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	26,117	46,020	0
State & Local Grants	0	0	0
Federal Grants	447,414	0	8,116
Interest Income	343	0	0
Miscellaneous	0	1,768	0
Total Revenues	<u>473,874</u>	<u>47,788</u>	<u>8,116</u>
Expenditures			
Current			
Instruction	0	44,697	2,485
Support Services			
Students	0	0	5,292
Instruction	0	0	0
General Administration	0	0	339
School Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	394,726	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>394,726</u>	<u>44,697</u>	<u>8,116</u>
Excess (Deficiency) of Revenues Over Expenditures	79,148	3,091	0
Fund Balances at Beginning of Year	<u>39,997</u>	<u>3,124</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 119,145</u>	<u>\$ 6,215</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	Fresh Fruit & Vegetables 24118	IDEA B Results Plan 24132	Improving Teacher Quality 24154
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	11,848	19,989	37,379
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>11,848</u>	<u>19,989</u>	<u>37,379</u>
Expenditures			
Current			
Instruction	0	19,989	36,051
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	0	1,328
School Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	11,848	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>11,848</u>	<u>19,989</u>	<u>37,379</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	Rural & Low Income 24160	Title I School Improvement 24162	USDA Equipment Assistance 24183
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	0	0	0
Federal Grants	9,922	11,519	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>9,922</u>	<u>11,519</u>	<u>0</u>
Expenditures			
Current			
Instruction	9,508	11,519	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	414	0	0
School Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>9,922</u>	<u>11,519</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	Medicaid 25153	Duel Credit Instructional Materials 27103	GO Student Library 27107
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	82,255	0	0
State & Local Grants	0	4,592	15,084
Federal Grants	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>82,255</u>	<u>4,592</u>	<u>15,084</u>
Expenditures			
Current			
Instruction	0	4,592	0
Support Services			
Students	54,591	0	0
Instruction	0	0	15,084
General Administration	0	0	0
School Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	0	0
Capital Outlay	0	0	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>54,591</u>	<u>4,592</u>	<u>15,084</u>
Excess (Deficiency) of Revenues Over Expenditures	27,664	0	0
Fund Balances at Beginning of Year	<u>3,308</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 30,972</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	NM Reads to Lead 27114	Pre-K Initiative 27149	Breakfast for Elementary 27155
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	49,571	114,160	15,439
Federal Grants	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>49,571</u>	<u>114,160</u>	<u>15,439</u>
Expenditures			
Current			
Instruction	49,571	92,540	0
Support Services			
Students	0	0	0
Instruction	0	0	0
General Administration	0	1,130	0
School Administration	0	3,954	0
Operation of Plant	0	0	0
Food Service Operations	0	0	15,439
Capital Outlay	0	16,536	0
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>49,571</u>	<u>114,160</u>	<u>15,439</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

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

	Special Revenue Fund		
	Pre-K Classrooms 27177	NM Grown Fruit & Vegetables 27183	Wind Farm Projects 29134
Revenues			
Property Taxes	\$ 0	\$ 0	\$ 0
Fees	0	0	0
State & Local Grants	21,627	680	65,931
Federal Grants	0	0	0
Interest Income	0	0	0
Miscellaneous	0	0	0
Total Revenues	<u>21,627</u>	<u>680</u>	<u>65,931</u>
Expenditures			
Current			
Instruction	0	0	16,682
Support Services			
Students	0	0	20,049
Instruction	0	0	0
General Administration	0	0	0
School Administration	0	0	0
Operation of Plant	0	0	0
Food Service Operations	0	680	0
Capital Outlay	21,627	0	20,554
Debt Service			
Principal	0	0	0
Interest	0	0	0
Total Expenditures	<u>21,627</u>	<u>680</u>	<u>57,285</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	8,646
Fund Balances at Beginning of Year	<u>0</u>	<u>0</u>	<u>48,876</u>
Fund Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 57,522</u>

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

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

	Capital Projects		Total
	Bond Building 31100	Debt Service 41000	
Revenues			
Property Taxes	\$ 0	\$ 442,635	\$ 442,635
Fees	0	0	154,392
State & Local Grants	0	0	287,084
Federal Grants	0	0	546,187
Interest Income	893	12,153	13,389
Miscellaneous	0	0	1,768
Total Revenues	<u>893</u>	<u>454,788</u>	<u>1,445,455</u>
Expenditures			
Current			
Instruction	10,766	0	298,400
Support Services			
Students	0	0	79,932
Instruction	0	0	15,084
General Administration	0	3,494	6,705
School Administration	0	0	3,954
Operation of Plant	34,508	0	34,508
Food Service Operations	0	0	422,693
Capital Outlay	82,196	0	140,913
Debt Service			
Principal	0	475,000	475,000
Interest	0	101,044	101,044
Total Expenditures	<u>127,470</u>	<u>579,538</u>	<u>1,578,233</u>
Excess (Deficiency) of Revenues Over Expenditures	(126,577)	(124,750)	(132,778)
Fund Balances at Beginning of Year	<u>147,424</u>	<u>237,470</u>	<u>480,199</u>
Fund Balance End of Year	<u>\$ 20,847</u>	<u>\$ 112,720</u>	<u>\$ 347,421</u>

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 26,000	\$ 26,000	\$ 26,117	\$ 117
Federal Grants	380,783	380,783	424,775	43,992
Other	500	500	343	(157)
Total Revenues	<u>407,283</u>	<u>407,283</u>	<u>451,235</u>	<u>43,952</u>
Expenditures				
Food Services Operations				
Personnel Services	131,285	131,285	129,541	1,744
Employee Benefits	66,910	63,311	58,003	5,308
Professional & Tech Services	0	44	44	0
Purchased Property Services	0	226	226	0
Other Purchased Services	1,194	1,501	1,435	66
Supplies	210,513	213,515	185,040	28,475
Total Food Service Operations	<u>409,902</u>	<u>409,882</u>	<u>374,289</u>	<u>35,593</u>
Total Expenditures	<u>409,902</u>	<u>409,882</u>	<u>374,289</u>	<u>35,593</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,619)	(2,599)	76,946	79,545
Cash Balance Beginning of Year	<u>29,466</u>	<u>29,466</u>	<u>29,466</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 26,847</u>	<u>\$ 26,867</u>	<u>\$ 106,412</u>	<u>\$ 79,545</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 76,946	
Net Change in Inventory			<u>2,202</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 79,148</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-Athletics-22000
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 116,683	\$ 52,352	\$ 46,020	\$ (6,332)
Miscellaneous	533	533	1,768	1,235
Total Revenues	<u>117,216</u>	<u>52,885</u>	<u>47,788</u>	<u>(5,097)</u>
Expenditures				
Instruction				
Personnel Services	11,399	11,399	5,621	5,778
Employee Benefits	2,177	2,177	788	1,389
Supplies	122,732	187,228	38,030	149,198
Supply Assets	0	258	258	0
Total Instruction	<u>136,308</u>	<u>201,062</u>	<u>44,697</u>	<u>156,365</u>
Total Expenditures	<u>136,308</u>	<u>201,062</u>	<u>44,697</u>	<u>156,365</u>
Excess (Deficiency) of Revenues Over Expenditures	(19,092)	(148,177)	3,091	151,268
Cash Balance Beginning of Year	<u>3,124</u>	<u>3,124</u>	<u>3,124</u>	<u>0</u>
Cash Balance End of Year	<u>\$ (15,968)</u>	<u>\$ (145,053)</u>	<u>\$ 6,215</u>	<u>\$ 151,268</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ 3,091</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 3,091</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-IDEA Preschool-24109
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 8,054	\$ 16,444	\$ 2,646	\$ (13,798)
Total Revenues	<u>8,054</u>	<u>16,444</u>	<u>2,646</u>	<u>(13,798)</u>
Expenditures				
Instruction				
Supplies	6,893	6,893	2,485	4,408
Total Instruction	<u>6,893</u>	<u>6,893</u>	<u>2,485</u>	<u>4,408</u>
Support Services				
Students				
Professional & Tech Services	1,000	1,000	0	1,000
Supply Assets	0	8,024	5,292	2,732
Total Students	<u>1,000</u>	<u>9,024</u>	<u>5,292</u>	<u>3,732</u>
General Administration				
Professional & Tech Services	0	366	339	27
Total General Administration	<u>0</u>	<u>366</u>	<u>339</u>	<u>27</u>
Total Support Services	<u>1,000</u>	<u>9,390</u>	<u>5,631</u>	<u>3,759</u>
Total Expenditures	<u>7,893</u>	<u>16,283</u>	<u>8,116</u>	<u>8,167</u>
Excess (Deficiency) of Revenues Over Expenditures	161	161	(5,470)	(5,631)
Cash Balance Beginning of Year	<u>(161)</u>	<u>(161)</u>	<u>(161)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,631)</u>	<u>\$ (5,631)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,470)	
Net Change in Due from Grantor			5,470	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Special Revenue Fund-Fresh Fruit & Vegetables-24118

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 16,176	\$ 6,100	\$ (10,076)
Total Revenues	<u>0</u>	<u>16,176</u>	<u>6,100</u>	<u>(10,076)</u>
Expenditures				
Food Service				
Supplies	0	16,176	11,848	4,328
Total Food Service	<u>0</u>	<u>16,176</u>	<u>11,848</u>	<u>4,328</u>
Total Expenditures	<u>0</u>	<u>16,176</u>	<u>11,848</u>	<u>4,328</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(5,748)	(5,748)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,748)</u>	<u>\$ (5,748)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (5,748)	
Net Change in Due from Grantor			<u>5,748</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Special Revenue Fund-IDEA B Results Plan-24132

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 20,000	\$ 20,000	\$ 16,892	\$ 3,108
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>16,892</u>	<u>3,108</u>
Expenditures				
Instruction				
Personnel Services	0	3,513	3,512	1
Employee Benefits	0	871	866	5
Professional & Tech Services	7,147	790	790	0
Supplies	7,878	4,297	4,292	5
Supply	4,975	10,529	10,529	0
Total Instruction	<u>20,000</u>	<u>20,000</u>	<u>19,989</u>	<u>1</u>
Total Expenditures	<u>20,000</u>	<u>20,000</u>	<u>19,989</u>	<u>1</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>0</u>	<u>0</u>	<u>(3,097)</u>	<u>(3,097)</u>
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (3,097)</u>	<u>\$ (3,097)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (3,097)	
Net Change in Due from Grantor			<u>3,097</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-Improving Teacher Quality-24154
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 46,594	\$ 53,538	\$ 28,545	\$ (24,993)
Total Revenues	<u>46,594</u>	<u>53,538</u>	<u>28,545</u>	<u>(24,993)</u>
Expenditures				
Instruction				
Personnel Services	19,441	29,150	29,150	0
Employee Benefits	9,688	6,923	6,901	22
Professional & Tech Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Instruction	<u>29,129</u>	<u>36,073</u>	<u>36,051</u>	<u>22</u>
Support Services				
General Administration				
Professional & Tech Services	<u>1,328</u>	<u>1,328</u>	<u>1,328</u>	<u>0</u>
Total General Administration	<u>1,328</u>	<u>1,328</u>	<u>1,328</u>	<u>0</u>
Total Support Services	<u>1,328</u>	<u>1,328</u>	<u>1,328</u>	<u>0</u>
Total Expenditures	<u>30,457</u>	<u>37,401</u>	<u>37,379</u>	<u>22</u>
Excess (Deficiency) of Revenues Over Expenditures	16,137	16,137	(8,834)	(24,971)
Cash Balance Beginning of Year	<u>(16,137)</u>	<u>(16,137)</u>	<u>(16,137)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (24,971)</u>	<u>\$ (24,971)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (8,834)	
Net Change in Due from Grantor			<u>8,834</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-Rural & Low Income-24160
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 11,019	\$ 11,019	\$ 432	\$ (10,587)
Total Revenues	<u>11,019</u>	<u>11,019</u>	<u>432</u>	<u>(10,587)</u>
Expenditures				
Instruction				
Supplies	10,125	10,125	9,508	617
Total Instruction	<u>10,125</u>	<u>10,125</u>	<u>9,508</u>	<u>617</u>
Support Services				
General Administration				
Professional & Tech Services	462	462	414	48
Total General Administration	<u>462</u>	<u>462</u>	<u>414</u>	<u>48</u>
Total Support Services	<u>462</u>	<u>462</u>	<u>414</u>	<u>48</u>
Total Expenditures	<u>10,587</u>	<u>10,587</u>	<u>9,922</u>	<u>665</u>
Excess (Deficiency) of Revenues Over Expenditures	432	432	(9,490)	(9,922)
Cash Balance Beginning of Year	<u>(432)</u>	<u>(432)</u>	<u>(432)</u>	<u>0</u>
Cash Balance End of Year	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(9,922)</u>	\$ <u>(9,922)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (9,490)	
Net Change in Due from Grantor			9,490	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			\$ <u>0</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Special Revenue Fund-Title I School Improvement-24162

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 0	\$ 15,818	\$ 5,251	\$ (10,567)
Total Revenues	<u>0</u>	<u>15,818</u>	<u>5,251</u>	<u>(10,567)</u>
Expenditures				
Instruction				
Supplies	0	14,226	9,928	4,298
Supply Assets	<u>0</u>	<u>1,592</u>	<u>1,590</u>	<u>2</u>
Total Instruction	<u>0</u>	<u>15,818</u>	<u>11,518</u>	<u>4,300</u>
Total Expenditures	<u>0</u>	<u>15,818</u>	<u>11,518</u>	<u>4,300</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(6,267)	(6,267)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (6,267)</u>	<u>\$ (6,267)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (6,267)	
Net Change in Due from Grantor			<u>6,267</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Special Revenue Fund-USDA Equipment Assistance-24183

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal Grant	\$ 11,400	\$ 11,400	\$ 11,400	\$ 0
Total Revenues	<u>11,400</u>	<u>11,400</u>	<u>11,400</u>	<u>0</u>
Expenditures				
Food Service				
Supply Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Food Service	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	11,400	11,400	11,400	0
Cash Balance Beginning of Year	<u>(11,400)</u>	<u>(11,400)</u>	<u>(11,400)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 11,400	
Net Change in Due from Grantor			<u>(11,400)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-Medicaid-25153
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Fees	\$ 73,000	\$ 73,000	\$ 82,255	\$ 9,255
Total Revenues	<u>73,000</u>	<u>73,000</u>	<u>82,255</u>	<u>9,255</u>
Expenditures				
Support Services				
Students				
Personnel Services	38,114	38,114	33,616	4,498
Employee Benefits	27,237	20,514	16,048	4,466
Professional & Tech Services	3,849	4,936	4,735	201
Other Purchased Services	0	64	64	0
Supplies	2,000	2,297	792	1,505
Supply Assets	1,800	7,075	0	7,075
Total Support Services	<u>73,000</u>	<u>73,000</u>	<u>55,255</u>	<u>17,745</u>
Total Expenditures	<u>73,000</u>	<u>73,000</u>	<u>55,255</u>	<u>17,745</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	27,000	27,000
Cash Balance Beginning of Year	<u>4,253</u>	<u>4,253</u>	<u>4,253</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 4,253</u>	<u>\$ 4,253</u>	<u>\$ 31,253</u>	<u>\$ 27,000</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ 27,000	
Net Change in Accounts Payable			665	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 27,665</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Special Revenue Fund-Dual Credit Instructional Materials-27103

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 4,592	\$ 3,903	\$ (689)
Total Revenues	<u>0</u>	<u>4,592</u>	<u>3,903</u>	<u>(689)</u>
Expenditures				
Instruction				
Supplies	0	4,592	4,592	0
Total Instruction	<u>0</u>	<u>4,592</u>	<u>4,592</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>4,592</u>	<u>4,592</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(689)	(689)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (689)</u>	<u>\$ (689)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (689)	
Net Change in Due from Grantor			<u>689</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-GO Student Library-27107
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 16,694	\$ 32,455	\$ 0	\$ (32,455)
Total Revenues	<u>16,694</u>	<u>32,455</u>	<u>0</u>	<u>(32,455)</u>
Expenditures				
Support Services				
Instruction				
Supplies	16,694	32,455	15,084	17,371
Total Instruction	<u>16,694</u>	<u>32,455</u>	<u>15,084</u>	<u>17,371</u>
Total Support Services	<u>16,694</u>	<u>32,455</u>	<u>15,084</u>	<u>17,371</u>
Total Expenditures	<u>16,694</u>	<u>32,455</u>	<u>15,084</u>	<u>17,371</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(15,084)	(15,084)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (15,084)</u>	<u>\$ (15,084)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (15,084)	
Net Change in Due from Grantor			<u>15,084</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-NM Reads to Lead-27114
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 60,327	\$ 60,327	\$ 38,876	\$ (21,451)
Total Revenues	<u>60,327</u>	<u>60,327</u>	<u>38,876</u>	<u>(21,451)</u>
Expenditures				
Instruction				
Personnel Services	31,750	31,753	31,752	1
Employee Benefits	13,250	13,085	12,657	428
Professional & Tech Services	1,000	0	0	0
Supplies	4,000	3,962	3,962	0
Supply Assets	0	1,200	1,200	0
Total Instruction	<u>50,000</u>	<u>50,000</u>	<u>49,571</u>	<u>429</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>49,571</u>	<u>429</u>
Excess (Deficiency) of Revenues Over Expenditures	10,327	10,327	(10,695)	(21,022)
Cash Balance Beginning of Year	<u>(10,327)</u>	<u>(10,327)</u>	<u>(10,327)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,022)</u>	<u>\$ (21,022)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (10,695)	
Net Change in Due from Grantor			10,695	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-Pre-K Initiative-27149
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 134,200	\$ 134,200	\$ 69,354	\$ (64,846)
Total Revenues	<u>134,200</u>	<u>134,200</u>	<u>69,354</u>	<u>(64,846)</u>
Expenditures				
Instruction				
Personnel Services	48,000	48,832	48,832	0
Employee Benefits	20,983	23,786	22,751	1,035
Professional & Tech Services	10,000	643	643	0
Other Purchased Services	197	191	0	191
Supplies	22,200	17,738	17,725	13
Supply Assets	14,043	19,125	2,589	16,536
Fixed Assets	0	0	16,535	(16,535)
Total Instruction	<u>115,423</u>	<u>110,315</u>	<u>109,075</u>	<u>1,240</u>
Support Services				
General Administration				
Professional & Tech Services	0	1,154	1,130	24
Total General Administration	<u>0</u>	<u>1,154</u>	<u>1,130</u>	<u>24</u>
School Administration				
Personnel Services	0	3,200	3,200	0
Employee Benefits	0	754	754	0
Total School Administration	<u>0</u>	<u>3,954</u>	<u>3,954</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>5,108</u>	<u>5,084</u>	<u>24</u>
Total Expenditures	<u>115,423</u>	<u>115,423</u>	<u>114,159</u>	<u>1,264</u>
Excess (Deficiency) of Revenues Over Expenditures	18,777	18,777	(44,805)	(63,582)
Cash Balance Beginning of Year	<u>(18,777)</u>	<u>(18,777)</u>	<u>(18,777)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (63,582)</u>	<u>\$ (63,582)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (44,805)	
Net Change in Due from Grantor			<u>44,805</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Special Revenue Fund-Breakfast for Elementary Students-27155

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 861	\$ 16,894	\$ 13,916	\$ (2,978)
Total Revenues	<u>861</u>	<u>16,894</u>	<u>13,916</u>	<u>(2,978)</u>
Expenditures				
Food Service				
Supplies	0	16,033	15,438	595
Total Food Service	<u>0</u>	<u>16,033</u>	<u>15,438</u>	<u>595</u>
Total Expenditures	<u>0</u>	<u>16,033</u>	<u>15,438</u>	<u>595</u>
Excess (Deficiency) of Revenues Over Expenditures	861	861	(1,522)	(2,383)
Cash Balance Beginning of Year	<u>(861)</u>	<u>(861)</u>	<u>(861)</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (2,383)</u>	<u>\$ (2,383)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			\$ (1,522)	
Net Change in Due from Grantor			<u>1,522</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-Pre-K Classrooms-27177
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 21,627	\$ 21,627	\$ 0	\$ (21,627)
Total Revenues	<u>21,627</u>	<u>21,627</u>	<u>0</u>	<u>(21,627)</u>
Expenditures				
Capital Outlay				
Fixed Assets	21,627	21,627	21,627	0
Total Capital Outlay	<u>21,627</u>	<u>21,627</u>	<u>21,627</u>	<u>0</u>
Total Expenditures	<u>21,627</u>	<u>21,627</u>	<u>21,627</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	(21,627)	(21,627)
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (21,627)</u>	<u>\$ (21,627)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ (21,627)	
Net Change in Due from Grantor			21,627	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico

Santa Rosa Consolidated Schools

Special Revenue Fund-NM Grown Fruit & Vegetables-27183

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
State Grant	\$ 0	\$ 683	\$ 680	\$ (3)
Total Revenues	<u>0</u>	<u>683</u>	<u>680</u>	<u>(3)</u>
Expenditures				
Food Service				
Supplies	0	683	680	3
Total Food Service	<u>0</u>	<u>683</u>	<u>680</u>	<u>3</u>
Total Expenditures	<u>0</u>	<u>683</u>	<u>680</u>	<u>3</u>
Excess (Deficiency) of Revenues Over Expenditures	0	0	0	0
Cash Balance Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 0	
Net Change in Fund Balance-GAAP Basis			<u>\$ 0</u>	

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

State of New Mexico
Santa Rosa Consolidated Schools
Special Revenue Fund-Wind Farm Projects-29134
Statement of Revenues, Expenditures, and Changes in Cash Balance -
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Local Grant	\$ 65,931	\$ 65,931	\$ 65,931	\$ 0
Total Revenues	<u>65,931</u>	<u>65,931</u>	<u>65,931</u>	<u>0</u>
Expenditures				
Instruction				
Personnel Services	0	6,685	6,681	4
Employee Benefits	0	1,536	1,533	3
Other Purchased Services	0	3,000	3,000	0
Supplies	0	3,779	1,528	2,251
Total Instruction	<u>0</u>	<u>15,000</u>	<u>12,742</u>	<u>4</u>
Support Services				
Students				
Supply Assets	0	7,075	7,075	0
Total Students	<u>0</u>	<u>7,075</u>	<u>7,075</u>	<u>0</u>
Total Support Services	<u>0</u>	<u>7,075</u>	<u>7,075</u>	<u>0</u>
Capital Outlay				
Purchased Service	72,445	49,774	3,939	45,835
Fixed Assets	40,000	40,000	33,529	6,471
Total Instruction	<u>112,445</u>	<u>89,774</u>	<u>37,468</u>	<u>52,306</u>
Total Expenditures	<u>112,445</u>	<u>111,849</u>	<u>57,285</u>	<u>52,310</u>
Excess (Deficiency) of Revenues Over Expenditures	(46,514)	(45,918)	8,646	52,310
Cash Balance Beginning of Year	<u>48,876</u>	<u>48,876</u>	<u>48,876</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 2,362</u>	<u>\$ 2,958</u>	<u>\$ 57,522</u>	<u>\$ 52,310</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Net Change in Cash Balance-Cash Basis			\$ 8,646	
Net Change in Fund Balance-GAAP Basis			\$ 8,646	

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

State of New Mexico

Santa Rosa Consolidated Schools

Capital Projects Fund-Bond Building-31100

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

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Interest Income	\$ 0	\$ 0	\$ 893	\$ (893)
Total Revenues	<u>0</u>	<u>0</u>	<u>893</u>	<u>(893)</u>
Expenditures				
Capital Outlay				
Professional & Tech Services	15,868	65,849	0	65,849
Other Purchased Services	0	62,328	0	62,328
Supplies	0	1,482	34,508	(33,026)
Fixed Assets	0	0	82,196	(82,196)
Supply Assets	<u>23,400</u>	<u>17,765</u>	<u>10,766</u>	<u>6,999</u>
Total Capital Outlay	<u>39,268</u>	<u>147,424</u>	<u>127,470</u>	<u>19,954</u>
Total Expenditures	<u>39,268</u>	<u>147,424</u>	<u>127,470</u>	<u>19,954</u>
Excess (Deficiency) of Revenues Over Expenditures	(39,268)	(147,424)	(126,577)	20,847
Cash Balance Beginning of Year	<u>147,424</u>	<u>147,424</u>	<u>147,424</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 108,156</u>	<u>\$ 0</u>	<u>\$ 20,847</u>	<u>\$ 20,847</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures-Cash Basis			<u>\$ (126,577)</u>	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (126,577)</u>	

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

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

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Favorable (Unfavorable)
	Original	Final		
Revenues				
Property Taxes	\$ 576,044	\$ 576,044	\$ 446,586	\$ (129,458)
Interest Income	0	0	12,153	12,153
Total Revenues	<u>576,044</u>	<u>576,044</u>	<u>458,739</u>	<u>(117,305)</u>
Expenditures				
Support Services				
General Administration				
Professional & Tech Services	<u>5,760</u>	<u>5,760</u>	<u>3,494</u>	<u>2,266</u>
Total General Administration	<u>5,760</u>	<u>5,760</u>	<u>3,494</u>	<u>2,266</u>
Total Support Service	<u>5,760</u>	<u>5,760</u>	<u>3,494</u>	<u>2,266</u>
Debt Service				
Principal	475,000	475,000	475,000	0
Interest	<u>101,050</u>	<u>101,050</u>	<u>101,044</u>	<u>6</u>
Total Debt Service	<u>576,050</u>	<u>576,050</u>	<u>576,044</u>	<u>6</u>
Total Expenditures	<u>581,810</u>	<u>581,810</u>	<u>579,538</u>	<u>2,272</u>
Excess (Deficiency) of Revenues Over Expenditures	(5,766)	(5,766)	(120,799)	(115,033)
Cash Balance Beginning of Year	<u>230,382</u>	<u>230,382</u>	<u>230,382</u>	<u>0</u>
Cash Balance End of Year	<u>\$ 224,616</u>	<u>\$ 224,616</u>	<u>\$ 109,583</u>	<u>\$ (115,033)</u>
Reconciliation of Budgetary Basis to GAAP Basis				
Excess (Deficiency) of Revenues Over Expenditures			\$ (120,799)	
Net Change in Taxes Receivable			(13,541)	
Net Change in Deferred Revenue			9,590	
Excess (Deficiency) of Revenues Over Expenditures-GAAP Basis			<u>\$ (124,750)</u>	

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

Required Supplemental Information

State of New Mexico
Santa Rosa Consolidated Schools
Schedules of Required Supplementary Information for Pension Plan

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

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.15673%	0.15695%
District's proportionate share of the net pension liability	\$ 8,942,583	\$ 10,166,069
District's covered-employee payroll	\$ 4,461,726	\$ 4,285,238
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	200.43%	237.23%
Plan fiduciary net position as a percentage of the total pension liability	66.54%	63.97%

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

Schedule of District's Contributions

Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
Contractually required contribution	\$ 620,180	\$ 707,767
Contributions in relation to the contractually required contribution	\$ 620,180	\$ 620,174
Contribution deficiency (excess)	0	87,593
District's covered-employee payroll	\$ 4,461,726	\$ 4,285,238
Contributions as a percentage of covered-employee payroll	13.90%	14.47%

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

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

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

Changes of assumptions.

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

1. Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.25% to 3.75%
 - b. Minor changes to demographic assumptions
 - c. Lower population growth from .50% to zero by removing population growth assumption for
 - d. Updated the mortality tables to incorporate generational improvements

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

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

Other Supplemental Information

Fiduciary Fund

Activity Trust Fund

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

State of New Mexico
Santa Rosa Consolidated Schools
Agency Funds - Activity
Schedule of Fiduciary Assets and Liabilities-Agency Funds
For the Year Ended June 30, 2016

	Balance 6/30/15	Receipts	Expenditures	Adjustments	Balance 6/30/16
Elementary					
General Account	\$ 2,463	\$ 14,019	\$ 10,865	\$ 0	\$ 5,617
National Honor Society	208	220	0	0	428
Total Elementary	<u>2,671</u>	<u>14,239</u>	<u>10,865</u>	<u>0</u>	<u>6,045</u>
Anton Chico					
General Fund	1,801	12,441	9,091	0	5,151
Athletics	1,779	617	175	0	2,221
Student Council	2,313	5,863	6,112	0	2,065
MESA	85	7,564	6,755	0	894
Total Anton Chico	<u>5,978</u>	<u>26,485</u>	<u>22,132</u>	<u>0</u>	<u>10,331</u>
Middle School					
General Fund	8,840	1,825	3,870	0	6,795
MS Athletics	4,653	4,881	4,874	0	4,660
Student Council	787	14,914	15,520	0	181
Honor Society	458	340	268	0	530
Mesa	1,811	224	0	0	2,035
Yearbook	0	1,677	489	0	1,188
Total Middle School	<u>16,549</u>	<u>23,860</u>	<u>25,021</u>	<u>0</u>	<u>15,388</u>
High School					
General Fund	7,765	8,180	9,043	0	6,902
HS Athletics	14,523	65,981	64,483	0	16,021
Student Council	0	5,136	1,846	0	3,289
EL Leon	1,925	4,628	2,382	0	4,172
National Honor Society	1,654	716	194	0	2,176
Mesa	1,641	636	0	0	2,277
Shop	770	0	479	0	292
Library	0	0	0	0	0
BPA	1,472	18,255	4,216	0	15,512
FFA	369	5,949	4,923	0	1,395
Ben Baca Learning Center	124	0	0	0	124
Class of 2016	1,158	950	0	0	2,108
Class of 2017	1,772	805	506	0	2,070
Class of 2018	95	718	0	0	813
Class of 2019	0	430	0	0	430
Board of Education Scholarship	948	790	500	0	1,237
Rudolfo Anaya Scholarship	5,750	0	1,500	0	4,250
Aragonne Wind Scholarship	2,694	0	0	0	2,694
Flores Scholarship	400	0	0	0	400
GEO Scholarship	0	12,000	6,000	0	6,000
Total High School	<u>43,060</u>	<u>125,174</u>	<u>96,073</u>	<u>0</u>	<u>72,161</u>
Total Activities	<u>\$ 68,258</u>	<u>\$ 189,759</u>	<u>\$ 154,091</u>	<u>\$ 0</u>	<u>\$ 103,926</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
Cash Reconciliations - All Funds
For the Year Ended June 30, 2016

		Beginning Cash 6/30/15	Revenue	Expenditures	Adjustments/ Transfer/ Loans	Ending Cash 6/30/16
Operational	11000	\$ 272,024	\$ 6,230,110	\$ 5,879,035	\$ 0	\$ 623,099
Transportation	13000	8,734	439,149	443,391	0	4,492
Instructional Materials	14000	33,767	44,536	21,034	0	57,269
Food Service	21000	29,467	451,234	374,289	0	106,412
Athletics	22000	3,124	47,788	44,697	0	6,215
Federal Flowthrough	24000	(191,632)	333,380	463,146	0	(321,398)
Federal Direct	25000	4,253	82,255	55,255	0	31,253
State Flowthrough	27000	(29,964)	126,729	221,152	0	(124,387)
Local/State	29000	48,876	65,931	57,286	0	57,521
Bond Building	31100	147,423	893	127,471	0	20,845
Special CO State	31400	0	0	174,997	0	(174,997)
SB 9	31700	235,236	303,086	137,230	0	401,092
Debt Service	41000	230,382	458,739	579,538	0	109,583
Activities	23000	68,258	189,759	154,091	0	103,926
Total		<u>\$ 859,948</u>	<u>\$ 8,773,589</u>	<u>\$ 8,732,612</u>	<u>\$ 0</u>	<u>\$ 900,925</u>

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

State of New Mexico
Santa Rosa Consolidated Schools
 VENDOR SCHEDULE
 For the Year Ended June 30, 2016

RFB#/RFP#	Type of Procurement	Awarded Vendor	\$ Amount of Awarded Contract	\$ Amount of Amended Contract	Name and Physical Address per the procurement documentation, of <u>ALL</u> Vendor(s) that responded	In-State/ Out-of-State Vendor (Y or N) (Based on Statutory Definition)	Was the vendor in-state and chose Veteran's preference (Y or N) For federal funds answer N/A	Brief Description of the Scope of Work
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Santa Rosa Consolidated Schools did not have any big projects/purchases this schools year.

Federal Compliance

State of New Mexico
Santa Rosa Consolidated Schools
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2016

Federal Agency/Pass Through Grantor/Program Title	Federal CFDA Number	State ID Number	Total Federal Awards Expended
<u>U. S. Department of Agriculture</u>			
Pass-through State Public Education Department:			
School Breakfast Program	10.553	21000	\$ 157,702
National School Lunch Program	10.555	21000	253,051
Pass-through Children, Youth, and Families Department			
National School Lunch Program	10.553	21000	14,022
			<u>424,775</u>
Pass-through State Public Education Department:			
Fresh Fruit and Vegetables	10.582	24118	11,848
Pass-through State Department of Human Services:			
Supplemental Nutrition Assistance Program	10.551	21000	(1) 22,639
Total U. S. Department of Agriculture			<u>459,262</u>
<u>U. S. Department of Education</u>			
Pass-through State Public Education Department:			
Special Education Cluster			
IDEA B Entitlement	84.027	24106	162,555
IDEA B Results Plan	84.027	24132	19,989
IDEA Preschool	84.173	24109	8,116
			<u>190,660</u>
Pass-through State Public Education Department:			
Title I	84.010	24101	201,818
Title I School Improvement	84.010	24162	11,519
Improving Teacher Quality	84.367	24154	37,379
Rural & Low Income	84.358	24160	9,922
Total U. S. Department of Education			<u>451,298</u>
Total Federal Assistance			<u>\$ 910,560</u>

(1) Non-cash assistance

See accompanying notes to the Schedule of Expenditures of Federal Awards

State of New Mexico

Santa Rosa Consolidated Schools

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2016

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

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

Note 2: Insurance Requirements

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

Note 3: Loans or Loan Guarantees

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

Note 4: De Minimis Indirect Rate

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

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

Independent Auditor's Report

Mr Tim Keller
State Auditor of the State of New Mexico
Board Members of the Santa Rosa Consolidated Schools

Mr Keller and Members of the Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the general fund and major special revenue funds, of the Santa Rosa Consolidated Schools (District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District, presented as supplemental information, and have issued our report thereon dated October 7, 2016.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs, that we consider to be significant deficiencies. 2015-001, 2015-002, 2015-003, 2015-004, 2015-009, 2016-001, 2016-002, 2016-003, and 2016-004

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001, 2015-002, 2015-003, 2015-004, 2015-009, 2016-001, 2016-002, 2016-003, and 2016-004.

District's Responses to Findings

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

Purpose of this Report

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

 De'Ann Willoughby CPA PC

Clovis, New Mexico
October 7, 2016

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

Independent Auditor's Report

Mr. Tim Keller
State Auditor of the State of New Mexico
Board Members of the Santa Rosa Consolidated Schools

Mr. Keller and Members of the Board

Compliance

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

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-011, that we consider to be significant deficiencies.

The District's response to the internal control over compliance findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

De'Ann Willoughby CPA PC

Clovis, New Mexico
October 7, 2016

A. Summary of Audit Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting

* Material weaknesses identified? No

* Significant deficiencies identified? Yes

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

* Material weaknesses identified? No

* Significant deficiencies identified? No

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

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

Identification of major programs:

<u>CFDA Numbers)</u>	<u>Name of Federal Program of Cluster</u>
10.553	Child Nutrition Cluster
10.555	School Breakfast Program
	National School Lunch Program

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

Audited qualified as low risk Auditee Yes

Federal Compliance Findings

Prior Year Audit Findings

None

Current Year Audit Findings

2015-011 Internal Control over Cafeteria Inventory-Compliance and Internal Control-Significant Deficiency

Condition

The District has stopped taking inventory of the food, nonfood and commodities for the Food Service Fund.

Criteria

The compliance audit program for Child Nutrition 10.555 requires commodities to be inventoried monthly.

Cause

There was a misunderstanding based on what the auditor said the prior year.

Effect

Without taking inventory, food and commodities could be misappropriated and no one would even know.

Recommendation

An inventory is necessary and should be performed monthly.

Response

The District is in the process of implementing a spread sheet in order for all those in charge of inventory of food and materials that are distributed to the schools be signed off. The cafeteria manager is aware of what needs to be ordered in order to accommodate the recipes that are used by the cafeterias. Cafeteria Manager addressed inventory concerns. Cafeteria Manager over the years has established inventory control as evidence of her existing forms; however, this does not suffice Auditors expectations. District will create and implement new food inventory form (written and electronic) to rectify food form inconsistencies and discrepancies.

The Food Service Clerk is responsible for this finding. It will be resolved in this current fiscal year.

Financial Statements Findings

Prior Year Audit Findings

	Status
2014-002 Budget Violations	Resolved
2015-001 Payroll	Repeated & Modified
2015-002 Time Sheets	Repeated & Modified
2015-003 Personnel Files	Repeated & Modified
2015-004 New Hire Reporting	Repeated & Modified
2015-005 Stale Dated Checks	Resolved
2015-006 Clearing Account not Reconciling to Zero	Resolved
2015-007 PED Cash Reports	Resolved
2015-008 Certification of Inventory	Resolved
2015-009 Cash Appropriations in Excess of Available Cash Balances	Repeated & Modified
2015-010 Anti-Donation Clause	Resolved
2015-011 Internal Control over Cafeteria Inventory	Resolved
2015-012 Negative Reconciled Bank Reconciliation	Resolved
2015-013 Bank Reconciliation Variances	Resolved
2015-014 Outstanding Deposits	Resolved

Current Year Audit Findings

2015-001 **Payroll-Compliance and Internal Control-Significant Deficiency Condition**

(1) State Unemployment quarterly report for 6/30/16 gross wages submitted were incorrectly. The total wages should have been 1,623,631.01 instead of the \$1,636,208.71, difference of \$12,577.70. (2) NMPSIA - 2 of the 14 sampled included 1 employee was under paying their portion of LTD at 30% instead of 40%. The difference is 82 cents per month totaling a projected amount of \$9.84. 1 employee was under paying \$36 per month totaling a projected amount of \$432.00 for the year.

Management has made progress in resolving this finding.

Criteria

New Mexico Department of Labor, Employment Security Division.

Cause

The setup in the software program for some of the employees is incorrect.

Effect

Penalties and interest are assessed causing money to be spent on them rather than educating the students.

Recommendation

The setup should be reviewed before the first payroll is run at the beginning of the school year.

Response

District agrees with finding based on our beginning of year oversight of percentage accuracies; however, district disagrees with one of the employee paying over \$36.00 medical. Visions is a systems management program that calculates the insurance and medical formulas. Data was properly entered, as such, percentages and amounts should have been properly deducted. We will call visions for technical support on this matter or inaccuracy.

The Business Manager is responsible for this finding and she hopes to resolve this issue in the current fiscal year.

2015-002 **Time Sheets-Compliance and Internal Control-Significant Deficiency Condition**

We could not determine if overtime was worked for one of the 9 non-exempt employees because time sheets were not completed.

Management has made progress resolving this finding.

Criteria

The Federal Fair Labor Standards Act (FLSA) require that employers keep accurate records of hours worked and wages paid to nonexempt employees.

Cause

The District does not have a formal time keeping system.

Effect

Employees may not be compensated for time worked including overtime.

Recommendation

Records of hours worked can be tracked using handwritten time cards, punching time clocks, or through the use of electronic badge readers or hand scanners. Any one of these methods is fine as long as accurate records are kept. Employers should adopt a written policy letting employees know that they are responsible for accurately recording the times when they arrive at and leave work. This policy also should inform employees of the consequences for deliberately falsifying time cards or clocking in for other employees, which may include immediate termination of employment.

Response

Since the Fall of 2015 Audit, District has corrected this finding through an electronic time clock system. Prior to our implementation of our time clock system, time sheets were established during the second payroll in November of 2015. Finding was based on the first payroll of November 2015, as such, second November payroll and forward was in compliance.

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

2015-003 Personnel Files-Compliance and Internal Control-Significant Deficiency Condition

Out of 14 personnel files tested we noted:

Four contracts did not state the number of pay periods, 2 were under paid totaling \$2,761.84 and 2 over paid totaling \$2,968.08. The contracts for 3+years non-certified or certified employees stated 24 installment totaling a under payment of \$8,276.56.

Management has not made progress resolving this finding.

Criteria

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

Cause

The personnel files were unkempt and in a disarray. It was difficult to locate documents. There is a disconnect between the HR process and the payroll process.

Effect

Employees could be over or under paid. Necessary documents could be missing or misfiled without organization. Both could cause a monetary loss to the District.

Recommendation

Vision software provides an HR module that interfaces with the payroll module which would correct the issue. All personnel files should be organized and well maintained.

Response

District has fully implemented a 26 installment payroll system based on the Fall of 2015 Audit Finding. District will implement new Contract Version/Template for the FY 2017-2018. Contract will specify the number of workday and pay periods. We will verify new contracts with our attorneys for contractual accuracy. District will provide training for I-9 discrepancies. Human Resource, Business Manager and Superintendent will verify I-9's. District is requesting that we have more clarification on our I-9's considering that I-9's are completed along with the retroactive I-9's verification due the 2015 finding.

The Superintendent is responsible for this finding. This finding is expected to be resolved and not repeated on the next fiscal audit.

2015-004 New Hire Reporting-Compliance and Internal Control-Significant Deficiency Condition

4 of 14 new hires could not be confirmed if they were submitted timely.

Criteria

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

Cause

The HR personnel is faxing the new hires in. None had a fax transmission verification.

Effect

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

Recommendation

We recommend attaching the fax transmission verification to the form or to utilize the online reporting of new hires.

Response

The District will follow the Auditors recommendation and receive additional training for the Human Resources Personnel. Human Resources Personnel will register on the State website to report and expedite all new employee hires and comply with the 20 day rule for new employees. We have been faxing the new hire reports within the 20 day period and the fax transmittal sheets are kept for verification. It is our understanding that it is legal to fax new hire sheets.

The HR secretary is responsible for this finding and it has been resolved.

2015-009 Cash Appropriations in Excess of Available Cash Balances-Compliance and Internal Control-Significant Deficiency Condition

The District maintained a deficit budget in excess of available cash balance in the following funds:

	Budgeted Cash	+	Cash Balance as of July 1, 2016	-	Budgeted Expenditures	=	Cash Appropriations In Excess of Available Cash
Instructional Materials-14000	34,612	+	33,768	-	79,966	=	(11,586)
Athletics-22000	52,885	+	3,124	-	201,062	=	(145,053)

Criteria

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

Cause

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

Effect

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

Recommendation

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

Response

In the past two years, District has reconciled accounts as per Audit finding recommendation. With the aforementioned accounts (14000 and 22000), 14000 was a Business Manager matter by not submitting BAR in a timely manner. With our 22000 account, the transferring and reconciling of the account created the discrepancy considering accounts were combined (all athletic accounts were combined/reconciled as per Audit recommendation), thus creating a budget account imbalance; since then, our account is accurate. Business Manager will ensure that BARS and Accounts are accurate and submitted in a timely manner.

The Business Manager is responsible for this finding and has amended the budgets to avoid this finding in the future.

2016-001 Expenditures-Compliance and Internal Control-Significant Deficiency

Condition

Out of 183 expenditures sampled totaling \$974,120.11, we noted the following:

Fund 11000 - 44 expenditures sampled totaling \$254,376.56 one bill was paid twice totaling \$44.00, One ticket was not signed (included supplies to detail a vehicle) totaling \$376.72.

Seven had after fact PO's totaling \$49,831.50, One was paid late totaling \$16,756.14.

Fund 13000 - 21 expenditures sampled totaling \$54,095.23, seven had after fact PO's totaling \$27,200.45.

Fund 24162 - 6 expenditures sampled totaling \$10,213.00, one bill was paid late totaling \$1,198.80.

Fund 27107- 5 expenditures sampled totaling \$6,990.49, one was paid late totaling \$6,990.49

Fund 27149-6 expenditures sampled totaling \$31,807.91, one only had 1 quote attached for playground equipment totaling \$16,535.60. One was paid late totaling \$2,119.86, one had an after fact PO totaling \$380.00.

Criteria

In accordance with 6.20.2.17 Purchasing, each school district shall establish and implement written policies and procedures for purchasing which shall be in compliance with the Procurement Code, Section 13-1-21 et seq, NMSA 1978. Per 13-1-158 NMSA 1978.

Cause

The District's personnel has not followed procedures in purchase items and services.

Effect

Making a purchase without first obtaining a purchase order could cause the district to over spend, have late fees, or difficulty with vendors because of slow pay. Not being in compliance with these requirements places the district and the Board at risk for fraud or misuse of public funds.

Recommendation

Purchases should not be made without receiving a purchase order. All of the district's personnel need to be aware that a purchase order must be approved prior to the purchase of goods or services. There should be consequences for not following the procurement process.

Response

We are well aware of procurement matters and have addressed the expenditure deficiencies to all District employees. Memos, Letters of Concerns, Letters of Reprimands and Employee education on Standard Operating Procedures have been initiated and addressed by Superintendent and Business Manager. Most all of our procurement matters were in the area of maintenance, as such, we have created an open purchase order on a monthly/annual basis so that the findings can be eliminated or rectified. Additionally, Central Office internal controls are on-going. Superintendent and Business Manager dual sign requisitions to ensure home rule and quotes are attached. On-going process

The Superintendent is responsible for enforcing the procurement process and expects that this finding will be resolved immediately.

2016-002 RHCA - Compliance and Internal Control-Significant Deficiency

Condition

During our testing of payroll we noted the following:

RHCA benefits for summer payrolls were not paid timely.

Criteria

The rule states: "Retiree Health Care Authority Act (Section 10-7C-1 to 10-7C-19 NMSA 1978). Auditors should test to ensure 100% of payroll is reported to NMRHCA. RHCA employer and employee contributions are set forth in Section 10-7C-15 NMSA 1978.

Cause

The Business Manager assumed they were due each month like NMPSIA rather than when the payrolls were cut.

Effect

The District incurs late fees and penalties.

Recommendation

RHCA obligations should be paid by the end of June.

Response

Business Manager is aware of the error she made and will ensure that this doesn't happen again.

The Business Manager is responsible for this finding and she will resolve this issue in the current fiscal year.

2016-003 Receipt Books-Compliance and Internal Control-Significant Deficiency

Condition

Of a sample of 20, none of the receipts had the school's name preprinted on them, 8 were made out to an activity rather than the person being relieved of the money, 7 were used out of numerical sequence, 1 had the original receipt still in the receipt book, one campus used 3 different receipt books and receipts were issued out of order, 2 had no recipient name on the receipt.

Criteria

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

Effect

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

Cause

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

Recommendation

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

Response

The District is aware that the same person cannot handle the money, keep the books and records and reconcile the bank statements. This is not done in our District. We have the Cafeteria Clerk who enters the deposits for all cafeteria monies, we have our Executive Secretary who enters the deposits for all athletic/activities monies and our Accounts Payable Secretary who enters deposits for all other programs. The Business Manager reconciles the bank statements. By recommendation of the Auditor the District has ordered new receipt books that are preprinted and numbered and will be distributed to the school secretaries for their use. We have met with all school secretaries regarding how the receipts should be written out to the person who is turning in the money. We will insure that all of them stay in compliance.

The Superintendent is responsible for this finding and hopes to have it resolved within the current fiscal year.

2016-004 Certified Chief Procurement Officers-Compliance and Internal Control-Significant Deficiency

Condition

The CPO is listed on the web site as the previous business manager. She is not the individual who is issuing the purchase orders or signing them.

Criteria

NMAC 1.4.1.94 (D) - Chief procurement officer duties, responsibilities and obligations. On and after July 1, 2015, only certified chief procurement officers may: (1) make determinations, including determinations regarding exemptions, pursuant to the Procurement Code; (2) issue purchase orders and authorize small purchases pursuant to the Procurement Code; and (3) approve procurement pursuant to the Procurement Code; (4) provided that, persons using procurement cards may continue to issue purchase orders and authorize small purchases.

Cause

Management was not aware the CPO had to issue the purchase orders or that the web site still had the name of the previous business manager as the CPO.

Effect

The purpose of the training was to improve the procurement process through gained knowledge. Issuing purchase orders by someone other than the CPO negates the purpose of the training.

Recommendation

The web site should be updated to reflect the current CPO and the CPO should be issue the purchase orders.

Response

We will contact New Mexico General Services and have them update their information.

The Superintendent is responsible for this finding and believes it will be resolved quickly.

Financial Statement Preparation

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

Exit Conference

An exit conference was held on October 7, 2016. Those present were Marcella Gerhardt-Board Secretary, Lisa Sena-Audit Committee Member, Pamela Ann Roybal-Teacher/Parent, Jaclyn Gutierrez-Accounts Payable and Payroll Clerk, Erica Padilla-Principal, Richard Perea-Superintendent, Sonia Tenorio-Business Manager and De'Aun Willoughby, CPA.