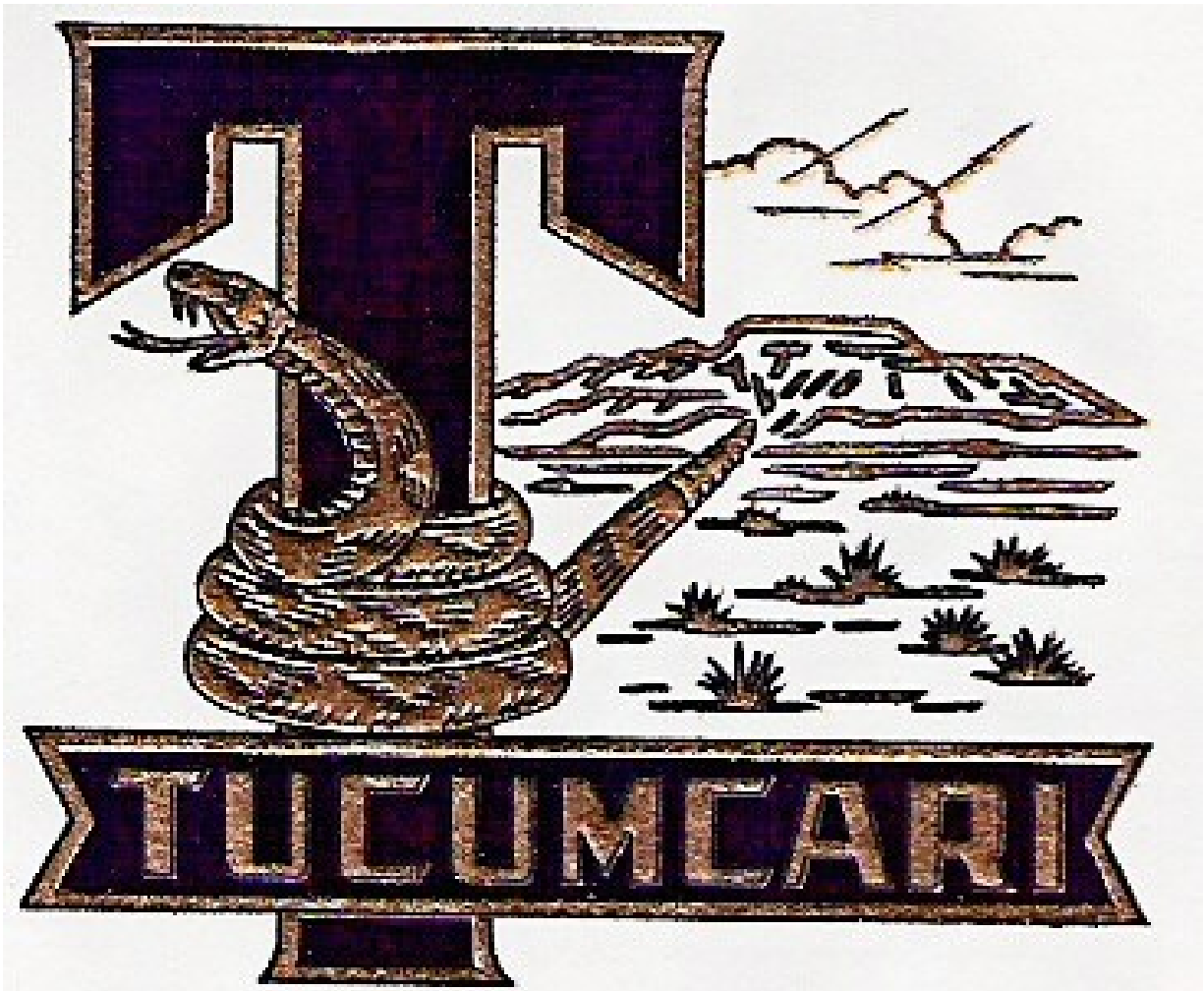


STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
ANNUAL FINANCIAL REPORT
JUNE 30, 2016



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INTRODUCTORY SECTION

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Exhibit</u>	<u>Page</u>
INTRODUCTORY SECTION		
Table of Contents		i
Official Roster		iv
FINANCIAL SECTION		
Independent Auditor’s Report		v
Basic Financial Statements		
Government-wide Financial Statements:		
Statement of Net Position	A-1	1
Statement of Activities	A-2	2
Fund Financial Statements		
Balance Sheet – Governmental Funds	B-1	3
Reconciliation of the Balance Sheet to the Statement of Net Position	B-2	6
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	B-3	7
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	B-4	10
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Operational Fund (11000)	C-1	11
Transportation Fund (13000)	C-2	12
Instructional Materials Fund (14000)	C-3	13
Title I – IASA Special Revenue Fund (24101)	C-4	14
IDEA-B Entitlement Special Revenue Fund (24106)	C-5	15
Statement of Fiduciary Assets and Liabilities	D-1	16
Notes to the Financial Statements		17
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Proportionate Share of the Net Pension Liability	<u>Schedule</u> I	<u>Page</u> 45
Schedule of Pension Contributions	II	46
Notes to Required Supplementary Information		47
SUPPLEMENTARY INFORMATION		
Combining and Individual Fund Statements and Schedules		
Combining Balance Sheet – Nonmajor Governmental Funds	A-1	48
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	A-2	49
Special Revenue Funds Descriptions		50
Combining Balance Sheet – Nonmajor Special Revenue Funds	B-1	52
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	B-2	57
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Food Services Special Revenue Fund (21000)	B-3	62
Athletics Special Revenue Fund (22000)	B-4	63

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2016

SUPPLEMENTARY INFORMATION	<u>Statement</u>	<u>Page</u>
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
New Mexico Autism Project Special Revenue Fund (24108)	B-5	64
IDEA-B Preschool Special Revenue Fund (24109)	B-6	65
IDEA-B Risk Pool Special Revenue Fund (24120)	B-7	66
IDEA-B Results Plan Special Revenue Fund (24132)	B-8	67
Teacher/Principal Training & Recruiting Special Revenue Fund (24154)	B-9	68
Rural & Low-Income Schools Special Revenue Fund (24160)	B-10	69
USDA School Equipment Grant Special Revenue Fund (24183)	B-11	70
Title XIX Medicaid 3/21 Years Special Revenue Fund (25153)	B-12	71
Tucumcari Band-Aides Special Revenue Fund (26206)	B-13	72
Dual Credit Instructional Materials Special Revenue Fund (27103)	B-14	73
2012 GO Bond Student Library Fund (SB66) Special Revenue Fund (27107)	B-15	74
New Mexico Reads to Lead K-3 Reading Initiative Special Revenue Fund (27114)	B-16	75
PreK Initiative Special Revenue Fund (27149)	B-17	76
2013 School Bus Special Revenue Fund (27178)	B-18	77
NM Grown Fresh Fruits and Vegetables Special Revenue Fund (27183)	B-19	78
NMFLEX Special Revenue Funds (28194)	B-20	79
Wind Farm Projects Special Revenue Fund (29134)	B-21	80
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Bond Building Capital Projects Fund (31100)	C-3	81
Capital Improvements SB-9 Capital Projects Fund (31700)	C-4	82
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual		
Debt Service Fund (41000)	D-3	83
 OTHER SUPPLEMENTAL INFORMATION	 <u>Schedule</u>	 <u>Page</u>
Schedule of Changes in Assets and Liabilities – Agency Funds	III	84
Schedule of Pledged Collateral	IV	85
Schedule of Cash and Temporary Investments	V	86
Schedule of Cash Reconciliations	VI	87
Schedule of Vendor Information	VII	90
Schedule of Joint Powers Agreements	VIII	91
 COMPLIANCE SECTION	 <u>Schedule</u>	 <u>Page</u>
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		99

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
TABLE OF CONTENTS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Page</u>
FEDERAL FINANCIAL ASSISTANCE	
Report on Compliance for Each Major Federal Program;	
Report on Internal Control over Compliance	101
Schedule of Expenditures of Federal Awards	IX 103
Schedule of Findings and Questioned Costs	X 105
OTHER DISCLOSURES	121

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

<u>Name</u>		<u>Title</u>
	<u>School Board</u>	
Carlos Romero		President
Heather Gonzales		Vice-President
Corrine Hayes		Secretary
Leif Gray		Member
Chris Burch		Member
	<u>District Officials</u>	
Aaron McKinney		Superintendent
Dave Johnson		Assist. Superintendent
Leola Patterson		Business Manager

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FINANCIAL SECTION



Manning Accounting and Consulting Services, LLC

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor
And the Governing Council of
Tucumcari Public Schools
Tucumcari, New Mexico

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

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

Other Matters

Required Supplementary Information

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

Accounting principles generally accepted in the United States of America requires the Schedules I and II and the notes to the Required Supplementary Information on pages 45 through 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with 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 introductory section and the other supplemental information, Schedules III through IX, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the other supplemental information, Schedules III through VI on pages 84 through 89, 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and Schedules III through VI required by 2.2.2 NMAC are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section on pages i through iv and Schedules VII through VIII on pages 90 through 98 have 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 them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 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.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
October 17, 2016

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BASIC FINANCIAL STATEMENTS

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF NET POSITION
JUNE 30, 2016

Exhibit A-1

	Governmental Activities
	<u> </u>
ASSETS	
<i>Current Assets</i>	
Cash and cash equivalents	\$ 3,717,554
Receivables (net of allowance for uncollectibles)	655,874
Inventory	30,486
<i>Total current assets</i>	<u>4,403,914</u>
<i>Noncurrent assets</i>	
Restricted cash	1,005,348
Capital assets (net of accumulated depreciation)	
Land and land improvements	1,387,971
Buildings and building improvements	57,552,125
Furniture, fixtures and equipment	3,943,352
Vehicles	1,367,139
Construction in progress	668,930
Less: accumulated depreciation	(30,212,561)
<i>Total noncurrent assets</i>	<u>35,712,304</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension - change in assumptions	436,530
Pension - employer contributions after measurement date	791,772
<i>Total deferred outflows</i>	<u>1,228,302</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 41,344,520</u>
LIABILITIES	
<i>Current liabilities</i>	
Accounts payable	\$ 36,041
Accrued payroll liabilities	117,659
Accrued interest payable	55,412
Unearned revenue	54
Current maturities of:	
Bonds payable	560,000
Compensated absences	40,603
<i>Total current liabilities</i>	<u>809,769</u>
<i>Noncurrent liabilities:</i>	
Bonds payable	5,960,000
Compensated absences	-
Net pension liability	12,691,556
<i>Total noncurrent liabilities</i>	<u>18,651,556</u>
DEFERRED INFLOWS OF RESOURCES	
Pension - change in actuarial experiences	235,290
Pension - change in investment experience	57,128
Pension - change in proportion	642,593
<i>Total deferred inflows</i>	<u>935,011</u>
NET POSITION	
Net investment in capital assets	15,706,515
Restricted for:	
Debt service	1,141,404
Capital projects	2,192,055
Other purposes - special revenue	444,136
Unrestricted	1,464,074
<i>Total net position</i>	<u>20,948,184</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 41,344,520</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit A-2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Primary Government					
Governmental activities:					
Instruction	\$ 5,905,995	\$ 39,349	\$ 1,033,403	\$ -	\$ (4,833,243)
Support services:					
Students	866,105	-	187,653	-	(678,452)
Instruction	237,729	-	29,531	-	(208,198)
General administration	510,106	-	-	-	(510,106)
School administration	603,405	-	-	-	(603,405)
Other	1,911	-	-	-	(1,911)
Central services	322,289	43,789	-	-	(278,500)
Operation & maintenance of plant	1,892,665	8,803	-	125,271	(1,758,591)
Student transportation	433,679	-	517,134	-	83,455
Food services operation	597,904	30,755	636,401	-	69,252
Community services	-	-	-	-	-
Interest on long-term debt	125,262	-	-	-	(125,262)
Facilities materials, supplies, & other services	1,370,963	-	-	-	(1,370,963)
Depreciation - unallocated	-	-	-	-	-
Total Primary Government	<u>\$ 12,868,013</u>	<u>\$ 122,696</u>	<u>\$ 2,404,122</u>	<u>\$ 125,271</u>	<u>(10,215,924)</u>

General Revenues:

Property taxes:	
Levied for general purposes	50,653
Levied for debt service	800,812
Levied for capital projects	223,123
State Equalization Guarantee	8,305,106
Unrestricted investment earnings	5,292
Loss on disposal of fixed assets	(118,819)
Miscellaneous	210,717
Total general revenues	<u>9,476,884</u>
Change in net position	<u>(739,040)</u>
Net position - beginning of year	<u>21,016,965</u>
Restatement - change in accounting principle	<u>670,259</u>
Net position - beginning of year, restated	<u>21,687,224</u>
Net position - end of year	<u>\$ 20,948,184</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ 1,216,873	\$ -	\$ 41,826
Accounts receivable			
Taxes	8,957	-	-
Due from other governments	-	-	-
Interfund receivables	322,732	-	-
Other	-	-	-
Inventory	-	27,043	-
<i>Total assets</i>	<u>1,548,562</u>	<u>27,043</u>	<u>41,826</u>
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	21,298	317	-
Accrued payroll liabilities	117,659	-	-
Interfund payables	-	-	-
Unearned revenue	-	-	-
<i>Total liabilities</i>	<u>138,957</u>	<u>317</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	7,298	-	-
Unavailable revenues - other	-	-	-
<i>Total deferred inflows of resources</i>	<u>7,298</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	27,043	-
Restricted for:			
Transportation	-	-	-
Instructional materials	-	-	41,826
Grant mandates	-	-	-
Capital projects	-	-	-
Debt service	-	-	-
Assigned	899,085	-	-
Unassigned	503,222	(317)	-
<i>Total fund balances</i>	<u>1,402,307</u>	<u>26,726</u>	<u>41,826</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 1,548,562</u>	<u>\$ 27,043</u>	<u>\$ 41,826</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds		
	Title I - IASA 24101	IDEA-B Entitlement 24106	Bond Building 31100
ASSETS			
<i>Current assets:</i>			
Cash and temporary investments	\$ -	\$ -	\$ 1,785,376
Accounts receivable			
Taxes	-	-	-
Due from other governments	150,578	107,446	-
Interfund receivables	-	-	-
Other	-	-	-
Inventory	-	-	-
<i>Total assets</i>	<u>150,578</u>	<u>107,446</u>	<u>1,785,376</u>
LIABILITIES			
<i>Current liabilities:</i>			
Accounts payable	-	-	-
Accrued payroll liabilities	-	-	-
Interfund payables	150,578	107,392	-
Unearned revenue	-	54	-
<i>Total liabilities</i>	<u>150,578</u>	<u>107,446</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - property taxes	-	-	-
Unavailable revenues - other	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted for:			
Transportation	-	-	-
Instructional materials	-	-	-
Grant mandates	-	-	-
Capital projects	-	-	285,376
Debt service	-	-	-
Assigned	-	-	1,500,000
Unassigned	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>1,785,376</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 150,578</u>	<u>\$ 107,446</u>	<u>\$ 1,785,376</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	Capital Improvements SB-9 31700	Debt Service 41000	Other Governmental Funds	Total Primary Government
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 247,375	\$ 1,005,348	\$ 426,104	\$ 4,722,902
Accounts receivable				
Taxes	38,446	136,056	-	183,459
Due from other governments	125,271	-	89,120	472,415
Interfund receivables	-	-	-	322,732
Other	-	-	-	-
Inventory	-	-	3,443	30,486
<i>Total assets</i>	<u>411,092</u>	<u>1,141,404</u>	<u>518,667</u>	<u>5,731,994</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	4,413	-	10,013	36,041
Accrued payroll liabilities	-	-	-	117,659
Interfund payables	-	-	64,762	322,732
Unearned revenue	-	-	-	54
<i>Total liabilities</i>	<u>4,413</u>	<u>-</u>	<u>74,775</u>	<u>476,486</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	30,210	106,146	-	143,654
Unavailable revenues - other	125,271	-	2,937	128,208
<i>Total deferred inflows of resources</i>	<u>155,481</u>	<u>106,146</u>	<u>2,937</u>	<u>271,862</u>
FUND BALANCES				
Nonspendable	-	-	3,443	30,486
Restricted for:				
Transportation	-	-	-	-
Instructional materials	-	-	-	41,826
Grant mandates	-	-	184,702	184,702
Capital projects	27,209	-	-	312,585
Debt service	-	29,910	-	29,910
Assigned	223,989	1,005,348	255,747	3,884,169
Unassigned	-	-	(2,937)	499,968
<i>Total fund balances</i>	<u>251,198</u>	<u>1,035,258</u>	<u>440,955</u>	<u>4,983,646</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 411,092</u>	<u>\$ 1,141,404</u>	<u>\$ 518,667</u>	<u>\$ 5,731,994</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Exhibit B-2

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Total fund balances - governmental funds	\$ 4,983,646
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	64,919,517
Accumulated depreciation is	(30,212,561)
Contributions to the pension plan are expensed in the governmental funds but are deferred outflows for government-wide statements.	791,772
Revenues not collected within sixty days after year-end are considered "available" revenues and are shown as deferred revenues on the balance sheet.	
Delinquent property taxes	143,654
State revenues	128,208
Deferred outflows and inflows of resources related to pensions are applicable to future periods and therefore, are not reported in governmental funds.	
Deferred outflows of resources related to change in assumptions	436,530
Deferred inflows of resources related to actuarial experience	(235,290)
Deferred inflows of resources related to investment experience	(57,128)
Deferred inflows of resources related to change in proportion	(642,593)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in governmental funds. Long-term and other liabilities at year-end consist of:	
Accrued interest payable	(55,412)
Bonds payable	(6,520,000)
Accrued compensated absences	(40,603)
Net pension liability	(12,691,556)
Total net position - governmental activities	<u>\$ 20,948,184</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit B-3

	General Fund		
	Operational 11000	Transportation 13000	Instructional Materials 14000
<i>Revenues:</i>			
Property taxes	\$ 46,587	\$ -	\$ -
State grants	8,305,106	517,034	67,253
Federal grants	-	-	-
Miscellaneous	210,717	100	-
Charges for services	72,903	-	-
Investment ncome	3,766	-	-
<i>Total revenues</i>	<u>8,639,079</u>	<u>517,134</u>	<u>67,253</u>
<i>Expenditures:</i>			
Current:			
Instruction	4,939,247	-	46,077
Support services			
Students	542,233	-	-
Instruction	211,676	-	-
General administration	381,809	-	-
School administration	608,596	-	-
Central services	293,637	-	-
Operation & maintenance of plant	1,889,180	-	-
Student transportation	-	521,619	-
Other support services	1,911	-	-
Food services operations	-	-	-
Community services	-	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Bond issuance costs	-	-	-
<i>Total expenditures</i>	<u>8,868,289</u>	<u>521,619</u>	<u>46,077</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(229,210)</u>	<u>(4,485)</u>	<u>21,176</u>
<i>Other financing sources (uses):</i>			
Proceeds from bond issues	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>(229,210)</u>	<u>(4,485)</u>	<u>21,176</u>
<i>Fund balances - beginning of year</i>	<u>1,631,517</u>	<u>31,211</u>	<u>20,650</u>
<i>Fund balances - end of year</i>	<u>\$ 1,402,307</u>	<u>\$ 26,726</u>	<u>\$ 41,826</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Exhibit B-3

	Special Revenue Funds		Bond Building 31100	Capital
	Title I - IASA 24101	IDEA-B Entitlement 24106		Improvements SB-9 31700
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ 213,095
State grants	-	-	-	130,985
Federal grants	437,355	287,549	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	1,526	-
<i>Total revenues</i>	<u>437,355</u>	<u>287,549</u>	<u>1,526</u>	<u>344,080</u>
<i>Expenditures:</i>				
Current:				
Instruction	348,283	136,044	-	-
Support services				
Students	-	135,721	-	-
Instruction	6	-	-	-
General administration	87,972	15,784	-	2,162
School administration	-	-	-	-
Central services	1,094	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	1,171,805	323,588
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	17,519	-
<i>Total expenditures</i>	<u>437,355</u>	<u>287,549</u>	<u>1,189,324</u>	<u>325,750</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(1,187,798)</u>	<u>18,330</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	1,500,000	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>312,202</u>	<u>18,330</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,473,174</u>	<u>232,868</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,785,376</u>	<u>\$ 251,198</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Debt Service 41000	Other Governmental Funds	Total Primary Government
<i>Revenues:</i>			
Property taxes	\$ 769,224	\$ -	\$ 1,028,906
State grants	-	198,595	9,218,973
Federal grants	-	919,540	1,644,444
Miscellaneous	-	3,600	214,417
Charges for services	-	49,793	122,696
Investment ncome	-	-	5,292
<i>Total revenues</i>	<u>769,224</u>	<u>1,171,528</u>	<u>12,234,728</u>
<i>Expenditures:</i>			
<i>Current:</i>			
Instruction	-	243,531	5,713,182
Support services			
Students	-	124,312	802,266
Instruction	-	28,095	239,777
General administration	7,778	18,602	514,107
School administration	-	995	609,591
Central services	-	30,352	325,083
Operation & maintenance of plant	-	-	1,889,180
Student transportation	-	18,349	539,968
Other support services	-	-	1,911
Food services operations	-	570,105	570,105
Community services	-	-	-
Capital outlay	-	-	1,495,393
Debt service			
Principal	455,000	-	455,000
Interest	125,262	-	125,262
Bond issuance costs	-	-	17,519
<i>Total expenditures</i>	<u>588,040</u>	<u>1,034,341</u>	<u>13,298,344</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>181,184</u>	<u>137,187</u>	<u>(1,063,616)</u>
<i>Other financing sources (uses):</i>			
Proceeds from bond issues	-	-	1,500,000
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
<i>Net changes in fund balances</i>	<u>181,184</u>	<u>137,187</u>	<u>436,384</u>
<i>Fund balances - beginning of year</i>	<u>854,074</u>	<u>303,768</u>	<u>4,547,262</u>
<i>Fund balances - end of year</i>	<u>\$ 1,035,258</u>	<u>\$ 440,955</u>	<u>\$ 4,983,646</u>

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

STATE OF NEW MEXICO

Exhibit B-4

TUCUMCARI PUBLIC SCHOOLS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balances - total governmental funds	\$ 436,384
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. This is the amount by which depreciation exceeds capital outlays for the period.	
Depreciation expense	(1,402,147)
Capital outlays	1,303,204
Loss on disposal of capital assets	(118,819.00)
Revenues not collected within 60 days after the fiscal year-end are not considered available revenues in the governmental funds. They are considered revenues in the Statement of Activities. The increase (decrease) in revenues receivable for the year end were:	
Unavailable revenue related to the property taxes receivable	45,682
Other unavailable revenues	(32,618)
In the Statement of Activities, certain operating expenses - compensated absences and interest expense - are measured by the amounts incurred during the year. In the fund financial statements, however, expenditures are measured by the amount of financial resources used (essentially the amounts actually paid). The (increases) decreases in the liabilities for the year were:	
Accrued interest payable	(8,187)
Accrued compensated absences	285
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.	
Bond principle payments	455,000
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Bond proceeds for the year totaled:	(1,500,000)
Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the pension benefits earned net of employee contributions is reported as pension expense.	
Difference between prior year pension contributions per entity and amount reporting in the pension repor	(363)
Pension contributions - current year	791,772
Pension expense	(709,233)
Change in net position - total governmental activities	<u>\$ (739,040)</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
OPERATIONAL FUND (11000)
FOR THE YEAR ENDING JUNE 30, 2016

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ 42,098	\$ 42,098	\$ 46,823	\$ 4,725
State grants	8,247,575	8,311,476	8,305,106	(6,370)
Federal grants	-	-	-	-
Miscellaneous	5,000	5,000	210,717	205,717
Charges for services	104,602	104,602	72,903	(31,699)
Investment income	5,000	5,000	3,766	(1,234)
<i>Total revenues</i>	<u>8,404,275</u>	<u>8,468,176</u>	<u>8,639,315</u>	<u>171,139</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	5,640,831	5,398,051	5,041,883	356,168
Support services				
Students	660,458	608,975	542,233	66,742
Instruction	218,827	224,904	212,773	12,131
General administration	427,642	484,021	381,536	102,485
School administration	633,040	635,884	608,596	27,288
Central services	299,673	318,870	293,637	25,233
Operation & maintenance of plant	1,486,181	2,443,676	1,886,443	557,233
Student transportation	-	-	-	-
Other support services	17,401	21,892	13,649	8,243
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>9,384,053</u>	<u>10,136,273</u>	<u>8,980,750</u>	<u>1,155,523</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(979,778)</u>	<u>(1,668,097)</u>	<u>(341,435)</u>	<u>1,326,662</u>
<i>Other financing sources (uses):</i>				
Designated cash	979,778	1,668,097	-	(1,668,097)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>979,778</u>	<u>1,668,097</u>	<u>-</u>	<u>(1,668,097)</u>
<i>Net change in fund balance</i>	-	-	(341,435)	(341,435)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,881,040</u>	<u>1,881,040</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,539,605</u>	<u>\$ 1,539,605</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (341,435)	
Adjustments to revenues			(236)	
Adjustments to expenditures			112,461	
Net change in fund balance (GAAP basis)			<u>\$ (229,210)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TRANSPORTATION FUND (13000)
FOR THE YEAR ENDING JUNE 30, 2016

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	583,791	517,034	517,034	-
Federal grants	-	-	-	-
Miscellaneous	-	100	100	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>583,791</u>	<u>517,134</u>	<u>517,134</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	583,791	517,134	517,134	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>583,791</u>	<u>517,134</u>	<u>517,134</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			(4,485)	
Net change in fund balance (GAAP basis)			<u>\$ (4,485)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
INSTRUCTIONAL MATERIALS FUND (14000)
FOR THE YEAR ENDING JUNE 30, 2016

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	51,005	66,982	67,253	271
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>51,005</u>	<u>66,982</u>	<u>67,253</u>	<u>271</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	51,005	87,632	46,077	41,555
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>51,005</u>	<u>87,632</u>	<u>46,077</u>	<u>41,555</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(20,650)</u>	<u>21,176</u>	<u>41,826</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	20,650	-	(20,650)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>20,650</u>	<u>-</u>	<u>(20,650)</u>
<i>Net change in fund balance</i>	-	-	21,176	21,176
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>20,650</u>	<u>20,650</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,826</u>	<u>\$ 41,826</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 21,176	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 21,176</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TITLE I - IASA SPECIAL REVENUE FUND (24101)
FOR THE YEAR ENDING JUNE 30, 2016

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	498,758	523,389	525,245	1,856
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>498,758</u>	<u>523,389</u>	<u>525,245</u>	<u>1,856</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	403,317	427,948	348,283	79,665
Support services				
Students	-	-	-	-
Instruction	-	6	6	-
General administration	92,511	92,505	87,972	4,533
School administration	-	-	-	-
Central services	2,930	2,930	1,094	1,836
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>498,758</u>	<u>523,389</u>	<u>437,355</u>	<u>86,034</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>87,890</u>	<u>87,890</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	87,890	87,890
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(238,468)</u>	<u>(238,468)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (150,578)</u>	<u>\$ (150,578)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 87,890	
Adjustments to revenues			(87,890)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B ENTITLEMENT SPECIAL REVENUE FUND (24106)
FOR THE YEAR ENDING JUNE 30, 2016

Exhibit C-5

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	268,018	340,842	309,769	(31,073)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>268,018</u>	<u>340,842</u>	<u>309,769</u>	<u>(31,073)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	125,340	160,340	136,044	24,296
Support services				
Students	127,749	160,807	135,721	25,086
Instruction	-	-	-	-
General administration	14,929	19,695	15,784	3,911
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>268,018</u>	<u>340,842</u>	<u>287,549</u>	<u>53,293</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>22,220</u>	<u>22,220</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	22,220	22,220
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(129,612)</u>	<u>(129,612)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (107,392)</u>	<u>\$ (107,392)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 22,220	
Adjustments to revenues			(22,220)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
AGENCY FUNDS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2016

Exhibit D-1

	<u>Agency Funds</u>
ASSETS	
<i>Current Assets</i>	
Cash	\$ 124,652
<i>Total assets</i>	<u>124,652</u>
 LIABILITIES	
<i>Current Liabilities</i>	
Deposits held in trust for others	124,652
<i>Total liabilities</i>	<u>\$ 124,652</u>

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

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**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies

Tucumcari Public School District (the “District”) is a public school District governed by an elected five-member Board of Education created under the provision of Chapter 22 Article 5, Paragraph 4, New Mexico Statutes 1978 to provide public education for the children within the District boundaries. The Board of Education is the basic level of government, which has oversight responsibility and control over all activities related to public elementary and secondary school education within its jurisdiction. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

This summary of significant accounting policies of the District is presented to assist in the understanding of the District’s financial statements. The financial statements and notes are the representation of the District’s management that is responsible for the financial statements. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting financial reporting principles. The financial statements have incorporated all applicable GASB pronouncements.

During the year ended June 30, 2016, the District adopted GASB Statement No. 71 *Fair Value Measurement and Application*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 79 *Certain External Investment Pools and Pool Participants*. The provisions of GASB No. 71 provide guidance for determining a fair value measurement for financial reporting purposes to enhance comparability of financial statements among governments. The provisions of GASB No. 76 identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP) which supersedes Statement No. 55. The Provisions of GASB No. 79 address accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. These pronouncement are not expected to have a material effect on the District.

The more significant of the government’s accounting policies are described below.

A. Financial Reporting Entity

In evaluating how to define the District, for financial reporting purposes, management has considered all potential component units. The decision to include any potential component units in the financial reporting entity was made by applying the criteria set forth in GASB Statements No. 14 and No. 39. GASB Statement No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity. Blended component unites, although legally separate entities, are in substance part of the government’s operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The basis, but not the only criterion for including a potential component unit within the reporting entity, is the governing body’s ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criteria used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Finally, the nature and significance of a potential component unit to the primary government could warrant its inclusion within the reporting entity. Based upon the application of these criteria, the District does not have a component unit and is not a component unit of another government agency.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

A. *Financial Reporting Entity (continued)*

B. *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the statement of net position and the statement of activities and changes in net position) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The District reports all direct expenses by function in the statement of activities. Direct expenses are those that are clearly identifiable with a function. The District does not currently employ indirect cost allocation systems. Depreciation expense is specifically identified by function and is included in the direct expense of each function, except for that portion of depreciation that is identified as unallocated on the statement of activities.

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

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

C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the fiduciary fund financial statement. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the period for which the taxes are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB No. 65, *Items Previously Reported as Assets and Liabilities*, amend GASB No. 34, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments*, to incorporate deferred outflows of resources and deferred inflows of resources in the financial reporting model.

Deferred Outflows of Resources – a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets; therefore, it is not recognized as an outflow of resources (expense) until then.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 **Summary of Significant Accounting Policies (Continued)**

C. *Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)*

Deferred Inflows of Resources – an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities; therefore, it is not recognized as an inflow of resources (revenue) until that time.

Net Position – the residual of the net effects of assets, deferred outflows of resources, liabilities, and deferred inflows of resources.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Sales and use taxes are classified as derived tax revenues and are recognized as revenue when the underlying exchange takes place and the revenues are measurable and available. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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

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

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

The *General Fund* is the primary operating fund of the District, and accounts for all financial resources of the general government, except those required to be accounted for in other funds. The General Fund includes the Operational, Transportation, and Instructional Materials Funds.

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

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

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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

Under the requirements of GASB Statement No. 34, the District is required to present some of its governmental funds as major funds based upon certain criteria. The major funds presented in the fund financial statements include the following:

The *Operational Fund* (11000) accounts for the primary revenues and expenditures of the District, including, but not limited to, student instruction, student support, instructional support, general administration, school administration, central services, and operations and maintenance of plant. Revenues come from district tax levy, state equalization, and other local, state, and federal sources. This fund is considered by PED to be a sub-fund of the General Fund.

The *Transportation Fund* (13000) accounts for state equalization funds authorized by Section 22-8-26, NMSA, 1978 designated for the costs of transporting school-age children who are students within the District. This fund is considered by PED to be a sub-fund of the General Fund.

The *Instructional Materials Fund* (14000) accounts for funding designated for instructional materials purchases as authorized by Sections 22-15-1 through 22-15-14, NMSA, 1978 for the purposes of purchasing instructional materials (books, manuals, periodicals, etc.) used in the education of students. This is considered by PED to be a sub-fund of the General Fund.

The *Title I IASA Special Revenue Fund* (24101) accounts for the major objectives of the Title I programs which are to provide supplemental educational opportunity for academically disadvantaged children in the area of residing. Campuses are identified for program participation by the percentage of students on free or reduced price lunches. Any school with a free and reduced price lunch percentage that is equal to or greater than the total district percentage becomes eligible for program participation. Any student whose test scores fall below District established criteria and who is attending a Title I campus is eligible to receive Title I services. Poverty is the criteria that identify a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Public Education Department. Authority for creation of this fund is Part A of Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

The *IDEA-B Entitlement Special Revenue Fund* (24106) accounts 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 Individuals with Disabilities Education Act, Part B, Section 611-620, as amended, Public Laws 91-230, 93-380, 94-142, 98-199, 99-457, 100,639, and 101-476, 20 U.S.C. 1411-1420.

The *Bond Building Capital Projects Fund* (31100) is used to account for bond proceeds and any income earned thereon. The proceeds are restricted for the purpose of making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof, as approved by the voters of the District.

The *Capital Improvements SB-9 Capital Projects Fund* (31700) is used to account for erecting, remodeling, making additions to and furnishing of school buildings, or purchasing or improving school grounds or any combination thereof as identified by the local school board. Financing is provided by the State of New Mexico's State Equalization Matching and a special tax levy as authorized by the Public School District Capital Improvements Act (22-25-1 to 22-25-10 NMSA 1978).

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The *Debt Service Fund* (41000) is used to account for the accumulation of resources for the payment of general long-term debt principal and interest.

Additionally, the government reports the following fund types:

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

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

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Cash and Temporary Investments: 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.

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

Investments for the District are reported at fair value. The State Treasurer's Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

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

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

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

Restricted Assets: The Debt Service Fund is used to report resources set aside as restricted to make up potential future deficiencies in the revenue bond current debt service account.

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

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

The District receives monthly income from a tax levy in Quay County. The funds are collected by the County Treasurer and are remitted to the District the following month. Under the modified accrual method of accounting, the amount remitted by the Quay County Treasurer in July and August 2016 is considered 'measurable and available' and, accordingly, is recorded as revenue during the year ended June 30, 2016.

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

Prepaid Items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Inventory: The District accounts for its inventories under the consumption method, reporting inventories purchased as an asset. The recognition of the expenditures is deferred until the period in which the inventories are actually consumed. Inventory in the Food Services Fund consists of U.S.D.A. commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as an expenditure at the time individual inventory items are consumed.

Capital Assets: Capital assets, which include property, plant, and equipment, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Information technology equipment, including software, is being capitalized and included in furniture and equipment in accordance with NMAC 2.20.1.9 C (5). Capital expenditures made by the New Mexico Public Schools Facilities Authority are appropriately included in the District's capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The District expenses the cost of library books when purchased because their estimated useful life is less than one year.

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

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

Land Improvements	10-20 years
Buildings/building improvements	5-100 years
Furniture and equipment	5-25 years
Vehicles	8-15 years

Deferred Outflows of Resources – Pensions: The government-wide financial statements report pension related expenses and liabilities for the cost-sharing plan one year in arrears, i.e. expenses and liabilities as of June 30, 2015. Contributions of \$791,772 made by the District in the current fiscal year are thus applicable to a future reporting period where they will then be expensed. As such, they are presented in the Statement of Net Position as a deferred outflow of resources in the current period. The District may also have three other deferred outflows which arise due to the implementation of GASB 68; change in assumptions \$436,530; change in proportion; and change in investment experience (netted with deferred inflows.)

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Unearned Revenues: The District recognizes grant revenue at the time the related expense is made if the expenditure of funds is the prime factor for determining eligibility for reimbursement; therefore, amounts received and not expended in the Special Revenue Funds are shown as unearned revenues. At June 30, 2016, the District's unearned revenues were \$54.

Compensated Absences: All regular twelve month support staff employees are entitled to accumulate vacation with pay. Annual leave accumulated during the first year of employment may not be taken during their first year. Annual leave accumulated during the contract year of employment must be taken prior to June the following year. Twelve month employees with less than ten years of service with the District earn ten days annual leave per contract year. Twelve month employees with ten years or more of service with the District earn fifteen days annual leave per contract year. Total compensated absences were \$40,603 at June 30, 2016.

Compensated sick leave is only paid to an employee upon retirement. If an employee resigns or is terminated their accumulated leave becomes void. The amount of compensated absences is not to exceed one hundred hours. An employee must have ten years of service with Tucumcari Public Schools in order to receive this compensation upon retirement.

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the district-wide statement of net position.

Long-term Obligations: In the government-wide fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. For bonds issued after the fiscal year ended June 30, 2014, bond premiums and discounts, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable of \$6,520,000 at June 30, 2016 are reported net of the applicable bond premium or discount. Bond insurance issuance costs will be reported as deferred charges and amortized over the term of the related debt.

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

Net Pension Liability: The District records its proportionate share of the difference between the value of total pension liabilities and plan assets for the State of New Mexico's Employee Retirement Board pension plan. For the year ended June 30, 2016, net pension liability totaled \$12,691,556.

Deferred Inflows of Resources – Unavailable Revenues: Governmental funds report unavailable revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Revenues not received within sixty (60) days of year-end are not considered available; therefore, a receivable is recorded for the amount due and corresponding deferred revenue is recorded as well. Total unavailable revenues of \$143,654 for property taxes and \$128,208 for grants were recorded at June 30, 2016.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Deferred Inflows of Resources – Pensions: Changes in actuarial experience \$235,290, investment experience \$57,128 (netted with deferred outflows), and change in proportion \$642,593 for the District are applicable to a future reporting period and will be expensed over a five-year period beginning in the next fiscal year. As such, these amounts are presented in the Statement of Net Position as deferred inflows of resources in the current period.

Net Position or Fund Equity: Governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

In the government-wide financial statements, fund equity is classified as net position and is displayed in three components:

Net investment in capital assets: Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulation of other governments; or (2) law through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position is restricted for “debt service or capital projects.”

Unrestricted Net Position: All other net position that does not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Balance: In the fund financial statements, governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Some governments may not have policies or procedures that are comparable to those policies that underlie the classifications and therefore would not report amounts in all possible fund balance classifications.

In the governmental financial statements, fund balance is classified and is displayed in five components:

Nonspendable: Consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) Legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Restricted: Consists of amounts that are restricted to specific purposes as a result of a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed: Consist of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

Assigned: Consist of amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned: Represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

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.

E. Revenues

Reclassifications: Certain amounts included in the financial statements have been reclassified to conform to the current year presentation.

Interfund Transactions: Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Significant estimates affecting the District's financials include management's estimate of the useful lives of capital assets.

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration 1) early childhood education; 2) basic education; 3) special education; 4) bilingual-multicultural education; 5) size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$8,305,106 in state equalization guarantee distributions during the year ended June 30, 2016.

Tax Revenues: The District receives mill levy and ad-valorem tax revenues primarily for debt service and capital outlay purposes. Property taxes are assessed on January 1 of each year and are payable in two equal installments, on November 10th of the year in which the tax bill is prepared and April 10th of the following

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

E. Revenues (continued)

year with the levies becoming delinquent 30 days (one month) thereafter. In the government-wide financial statements, the District recognizes property tax revenues in the period for which they are levied, net of estimated refunds and uncollectible amounts. The District records only the portion of the taxes considered to be 'measurable' and 'available' in the government fund financial statements, which is within 60 days of year-end. Descriptions of the individual debt service and capital outlay funds contained in these financial statements include information regarding the authority for the collection and use of these taxes.

In the financial statements, the mill levy and ad-valorem taxes are broken out into two types: property taxes – residential and commercial and property taxes – oil and gas. Amounts collected from residential and commercial property taxes as of June 30, 2016 were \$1,028,906. Amounts collected from oil and gas taxes were \$0.

Transportation Distribution: School districts in the State of New Mexico receive student transportation distributions. The transportation distribution is allocated to each school district in accordance with formulas developed by the State Transportation Director and the Director of Public School Finance. The funds shall be used only for the purpose of making payments to each school district for the to-and-from school transportation costs of students in grades K through twelve attending public school within the school district. The District received \$517,034 in transportation distributions during the year ended June 30, 2016.

Instructional Materials: The New Mexico Public Education Department (PED) receives federal material leasing funds from which it makes annual allocations to the various school districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of materials listed in the State Board of Education "State Adopted Instructional Material" list, while fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the State for the year ended June 30, 2016 totaled \$67,253.

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

The District received \$130,985 in state SB-9 matching during the year ended June 30, 2016.

Public School Capital Outlay: Under the provisions of Chapter 22, Article 24, NMSA 1978. The money in the fund may be used only for capital expenditures deemed by the public school capital outlay council necessary for an adequate educational program per Section 22-24-4(B); core administrative functions of the public school facilities authority and for project management expenses upon approval of the council per Section 22-24-4(G); and for the purpose of demolishing abandoned school district facilities, upon application by a school district to the council, per Section 22-24-4(L).

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

During the year ended June 30, 2016, the District received \$0 in special capital outlay funds.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 1 Summary of Significant Accounting Policies (Continued)

E. Revenues (continued)

Federal Grants: The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported as Special Revenue Funds. Each program operated under its own budget, which has been approved by the federal department or the flowthrough agency (usually the New Mexico Public Education Department). The various budgets are approved by the local school board and the New Mexico Public Education Department.

The District also receives reimbursement under the National School Lunch and Breakfast Programs for its food services operations, and the distributions of commodities through the New Mexico Human Services Department.

NOTE 2 Stewardship, Compliance and Accountability

Budgetary Information

Budgets for the General, Special Revenue, Capital Projects, and Debt Service Funds are prepared by management and are approved by the local Board of Education and the School Budget and Planning Unit of the Public Education Department. Auxiliary student activity accounts are not budgeted. Public School Capital Outlay Council expenditures in the Public School Capital Outlay fund are not budgeted at the District level, so there is no budgetary comparison presented.

These budgets are prepared on the non-GAAP cash basis, excluding encumbrances, and secure appropriation of funds for only one year. Carryover funds must be re-appropriated in the budget of the subsequent fiscal year. The budget process in the State of New Mexico requires that the ending cash balance be appropriated in the budget of the subsequent fiscal year.

Actual expenditures may not exceed the budget at the function level, the level of budgetary control for districts. Budgets may be amended in two ways. If a budget transfer is necessary within a major category called a 'series,' this may be accomplished with only local board of education approval. If a transfer between 'series' or a budget increase is required, approval must also be obtained from Public School Finance Division.

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

1. In April or May, the local school board submits to the District Budget Planning Unit (DBPU) of the New Mexico Public Education Department (100%) a proposed operating budget for the ensuing fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them. All budgets submitted to the State of New Mexico Public Education Department.
2. In May or June of each year, the proposed "operating" budget will be reviewed and approved by the DBPU and certified and approved by the local school board at a public hearing of which notice has been published by the local school board which fixes the estimated budget for the school district for the ensuing fiscal year.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting has been called.
4. The "operating" budget will be used by the District until they have been notified that the budget has been approved by the DBPU and the local school board. The budget shall be integrated formally into the accounting system. Encumbrances shall be used as an element of control and shall be integrated into the budget system.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 2 Stewardship, Compliance and Accountability (Continued)

Budgetary Information - (Continued)

5. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board to recognize actual cash balances and carryover funds, if any. These adjustments shall be reviewed and approved by the DBPU.
6. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the State of New Mexico Public Education Department.
7. Budget change requests are processed in accordance with Supplement 1 (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
8. Legal budget control for expenditures is by function.
9. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting those in the subsequent fiscal year's budget. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
10. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Funds, and Capital Projects Funds.

The board of education may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balance. New Mexico state law prohibits a governmental agency from exceeding an individual line item.

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

Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, perspective, equity, and timing differences in the excess (deficiency) of revenues and other sources of financial resources for the year ended June 30, 2016 is presented on each funds' Statement of Revenue, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual.

NOTE 3 Cash and Cash Equivalents

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

Deposits of funds may be made in interest or non-interest bearing checking accounts in one or more banks or savings and loan associations within the geographical boundaries of the District. Deposits may be made to the extent that they are insured by an agency of the United States or by collateralized as required by the statute.

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

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 Cash and Cash Equivalents (Continued)

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

The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

Deposits

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

	Wells Fargo Bank	Citizens Bank	Quay Schools Fed. Credit Union	Bank of Albuquerque	Total
Total amounts of deposits	\$ 3,218,831	\$ 107,565	\$ 100,000	\$ 1,785,376	\$ 5,211,772
FDIC/FCUIC coverage	250,000	107,565	100,000	-	457,565
Total uninsured public funds	<u>2,968,831</u>	<u>-</u>	<u>-</u>	<u>1,785,376</u>	<u>4,754,207</u>
Collateral requirement (50% of uninsured public funds)	1,484,416	-	-	-	1,484,416
Pledged security	<u>1,935,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,935,594</u>
Total over (under) collateralized	<u>\$ 451,178</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 451,178</u>

The funds are maintained in interest and non-interest bearing checking accounts at Wells Fargo Bank and Citizens Bank and an interest bearing certificate of deposit at Quay Schools Federal Credit Union. The funds in Bank of Albuquerque are in an interest bearing trust fund which is invested in U.S. Government securities. These funds were obtained at year-end through bond proceeds issued to the District by the New Mexico Finance Authority.

The types of collateral allowed are limited by the section 6-10-16, NMSA 1978.

Custodial Credit Risk – Deposits. 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, other than following state statutes as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

Deposits – The risk exists when a portion of the District's deposits are not covered by depository insurance and are:

1. Uncollateralized;
2. Collateralized with securities held by the pledging financial institution; or
3. Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor's (District's) name.

At June 30, 2016, \$2,968,831 of the District's bank balances at Wells Fargo Bank was exposed to custodial credit risk as it was uninsured and the collateral was held by the Bank of New York Mellon, not in the District's name. An additional \$1,785,376 of deposits in Bank of Albuquerque is also subject to custodial risk. Thus a total of \$4,754,207 of the District's bank balances of \$5,211,772 was exposed to custodial credit risk at June 30, 2016.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 Cash and Cash Equivalents (Continued)

Reconciliation of Cash to the Financial Statements

The carrying amount of deposits and investments shown above are included in the District's Statement of Net Position as follows:

Reconciliation to Statement of Net Position

Governmental Funds - Balance Sheet

Cash and cash equivalents per Exhibit A-1	\$ 4,722,902
Statement of Fiduciary Net Position - cash per Exhibit D-1	<u>124,652</u>
Total per financial statements	4,847,554
Add outstanding checks and other reconciling items	<u>364,218</u>
Bank balance of deposits	<u><u>\$ 5,211,772</u></u>

The District utilized pooled accounts for their programs and funds. Negative cash balances in individual funds that were part of the pooled accounts should be reclassified as due to/due from accounts in the combining balance sheets at June 30, 2016. Funds 24000 funds are federal funds and 27000 funds are non-federal funds. The following individual funds had negative cash balances as of June 30, 2016:

Fund #	Special Revenue Funds:	Amount
24101	Title I IASA	\$ 150,578
24106	IDEA-B Entitlement	107,392
24108	New Mexico Autism Project	4,992
24109	IDEA-B Preschool	6,341
24120	IDEA-B "Risk Pool"	196
24132	IDEA-B Results Plan	10,913
24154	Teacher/Principal Training & Recruiting	5,497
24160	Rural and Low Income Schools	2,937
27103	Dual Credit Instructional Materials	1,436
27107	2012 GO Bonds Student Library Fund (SB66)	8,122
27114	New Mexico Reads to Lead K-3 Reading Initiative	4,536
27149	PreK Initiative	19,792
	Total	<u><u>\$ 322,732</u></u>

Investments

As of June 30, 2016, the District had the following investments and maturities:

Investment Type	Fair Value
Premier U.S. Government Money Portfolio	\$1,785,376

The Premier U.S. Government Money Portfolio is 100% invested in U.S. government and its agencies' securities. The CUSIP on the investments is 00142W843 and has total net assets of \$2.03 billion.

Interest Rate Risk – Investments: The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates. The District's investments were rated AAAM by Standard & Poor's and have a weighted average days-to-maturity (WAM) of 36 days and a weighted average life (WAL) of 98 days.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 3 Cash and Cash Equivalents (Continued)

Investments (continued)

Concentration Credit Risk – Investments: For an investment, concentration credit risk is when any one issuer is 5% or more of the investment portfolio of the District. The investment in the Premier U.S. Government Money Portfolio represents 100% of the investment portfolio. Since the District only purchases investments with the highest credit rating, the additional concentration is not viewed as an additional risk by the District. The District’s policy related to concentration risk is to comply with the State Statute as put forth in the Public Money Act (Section 6-10-1 to 6-10-63, NMSA 1978).

NOTE 4 Receivables

Receivables as of June 30, 2016 are as follows:

	Major Funds						Total Governmental Funds
	Operational 11000	Title I IASA 24101	IDEA-B Entitlement 24106	Capital Improve. SB-9 31700	Debt Service 41000	Other Governmental Funds	
Property taxes	\$ 8,957	\$ -	\$ -	\$ 38,446	\$ 136,056	\$ -	\$ 183,459
Due from other governments	-	150,578	107,446	125,271	-	89,120	472,415
Total receivables	\$ 8,957	\$ 150,578	\$ 107,446	\$ 163,717	\$ 136,056	\$ 89,120	\$ 655,874

The above receivables are deemed 100% collectible. In accordance with GASB No. 33, property tax revenues in the amount of \$143,654 and governmental revenues in the amount of \$128,208 were not collected within the period of availability and have been reclassified as unavailable revenues in the governmental fund financial statements as a deferred inflows of resources.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 5 Interfund Receivables, Payables, and Transfers

“Interfund balances” have primarily been recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. The composition of interfund balances at June 30, 2016 is as follows:

Governmental Activities	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
Operational (11000)	\$ 322,732	\$ -
Title I IASA (24101)	-	150,578
IDEA-B Entitlement (24106)	-	107,392
Non-major Funds:		
New Mexico Autims Project (24108)	-	4,992
IDEA-B Preschool (24109)	-	6,341
IDEA-B "Risk Pool" (24120)	-	196
IDEA-B Results Plan (24132)	-	10,913
Teacher/Principal Training & Recruiting (24154)	-	5,497
Rural & Low-Income Schools (24160)	-	2,937
Dual Credit Instructional Materials (27103)	-	1,436
2012 GO Bond Student Library Fund (27107)	-	8,122
New Mexico Reads to Lead K-3 Reading Initiative (27114)	-	4,536
PreK Initiative (27149)	-	19,792
	<u> </u>	<u> </u>
Totals	<u>\$ 322,732</u>	<u>\$ 322,732</u>

All interfund balances are expected to be repaid within one year.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 6 Capital Assets

A summary of capital assets and changes occurring during the year ended June 30, 2016 follows. Land and construction in progress is not subject to depreciation.

Capital assets used in governmental activities:	Balance June 30, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
Capital assets not being depreciated:					
Land	\$ 302,134	\$ -	\$ -	\$ -	\$ 302,134
Construction in progress	-	1,117,559	(448,629)	-	668,930
Total capital assets not being depreciated	<u>302,134</u>	<u>1,117,559</u>	<u>(448,629)</u>	<u>-</u>	<u>971,064</u>
Capital assets being depreciated:					
Land improvements	566,473	509,646	-	9,718	1,085,837
Buildings and building improvements	57,786,214	5,864	(990,156)	750,203	57,552,125
Furniture, fixtures, and equipment	3,715,596	33,836	-	193,920	3,943,352
Vehicles	1,738,975	84,928	(410,089)	(46,675)	1,367,139
Total capital assets being depreciated	<u>63,807,258</u>	<u>634,274</u>	<u>(1,400,245)</u>	<u>907,166</u>	<u>63,948,453</u>
Less accumulated depreciation:					
Land improvements	259,110	48,266	-	1,255	308,631
Buildings and building improvements	25,609,140	1,140,124	(871,337)	126,316	26,004,243
Furniture, fixtures, and equipment	2,453,738	161,227	-	147,418	2,762,383
Vehicles	1,532,945	52,530	(410,089)	(38,082)	1,137,304
Total accumulated depreciation	<u>29,854,933</u>	<u>1,402,147</u>	<u>(1,281,426)</u>	<u>236,907</u>	<u>30,212,561</u>
Total capital assets, net of depreciation	<u>\$ 34,254,459</u>	<u>\$ 349,686</u>	<u>\$ (567,448)</u>	<u>\$ 670,259</u>	<u>\$ 34,706,956</u>

Depreciation expense for the year ended June 30, 2016 was charged to governmental activities as follows:

Governmental activities:	
Instruction	\$ 757,161
Support services - students	70,107
Operation and maintenance of plant	14,021
Student transportation	14,021
Food services	28,043
Capital outlay	518,794
Total depreciation	<u>\$ 1,402,147</u>

Construction commitments:

At June 30, 2016, there are no outstanding construction commitments.

The District has made some adjustments to their fixed assets, moving some amounts between categories and adjusting for amounts previously recorded incorrectly. Adjustments were also made to depreciation to correct errors in previous years. The net effect is a reduction in fixed assets of (\$670,259).

The Schedule of Capital Assets Used by Source and the Schedule of Changes in Capital Assets by Function and Activity have not been prepared because the detailed information is unavailable.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 Long-Term Debt

During the year ended June 30, 2016, the following changes occurred in the liabilities reported in the government-wide statement of net position:

	Balance at 06/30/15	Additions	Deletions	Balance at 06/30/16	Due Within One Year
General Obligation Bonds	\$ 5,475,000	\$ 1,500,000	\$ 455,000	\$ 6,520,000	\$ 560,000
Compensated Absences	40,888	77,385	77,670	40,603	40,603
Total	\$ 5,515,888	\$ 1,577,385	\$ 532,670	\$ 6,560,603	\$ 600,603

General Obligations Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. These bonds are issued with varying terms and varying amounts of principal maturing each year. As of June 30, 2016, all general obligation bonds are for governmental activities.

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

Fiscal Year Ending June 30,	Total General Obligation Bonds		Total Debt Service
	Principal	Interest	
2017	\$ 560,000	\$ 134,009	\$ 694,009
2018	830,000	124,867	954,867
2019	645,000	110,005	755,005
2020	570,000	95,924	665,924
2021	565,000	179,788	744,788
2022-2026	2,335,000	202,867	2,537,867
2027-2030	1,015,000	16,990	1,031,990
Totals	\$ 6,520,000	\$ 864,450	\$ 7,384,450

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 7 Long-Term Debt (Continued)

A summary of all existing long-term debt for the District is provided below:

	Series 2003 GO Bonds 4/29/2003	Series 2007 GO Bonds 5/25/2007	Series 2009 NMFA Loan 8/13/2009
Issue Date	4/29/2003	5/25/2007	8/13/2009
Original Issue	\$750,000	\$1,250,000	\$900,000
Maturity Date	8/1/2017	8/1/2020	8/1/2022
Principal	1-Aug	1-Aug	1-Aug
Interest Rate	0.93% to 3.10%	3.08% to 3.28%	0.52% to 3.22%
Principal/Interest	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb
	Series 2010 NMFA Loan 5/6/2010	Series 2011 NMFA Loan 4/22/2011	Series 2012 NMFA Loan 5/25/2012
Issue Date	5/6/2010	4/22/2011	5/25/2012
Original Issue	\$1,635,000	\$1,055,000	\$745,000
Maturity Date	8/1/2022	8/1/2024	8/1/2025
Principal	1-Aug	1-Aug	1-Aug
Interest Rate	0.50% to 3.64%	1.53% to 4.41%	0.00% to 2.793%
Principal/Interest	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb
	Series 2013 NMFA Loan 8/23/2013	Series 2015 NMFA Loan 6/26/2015	Series 2016 NMFA Loan 6/24/2016
Issue Date	8/23/2013	6/26/2015	6/24/2016
Original Issue	\$200,000	\$1,500,000	\$1,500,000
Maturity Date	8/1/2023	8/1/2028	8/1/2029
Principal	1-Aug	1-Aug	1-Aug
Interest Rate	0.3552%	0.10% to 3.00%	0.10% to 1.3734%
Principal/Interest	1-Aug	1-Aug	1-Aug
Interest	1-Feb	1-Feb	1-Feb

In prior years, the general fund was typically used to liquidate long-term liabilities other than debt.

Compensated Absences – Administrative employees of the District are able to accrue a limited amount of vacation and other compensatory time during the year. During fiscal year June 30, 2016, compensated absences decreased \$285 over the prior year accrual. See Note 1 for more details.

Operating Leases – The District leases office equipment, including copy machines and postage meter machines, under short-term cancelable operating leases.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 8 Unearned Revenue

In accordance with the terms of the various grant agreements within the Special Revenue Funds, revenues received in excess of expenditures carry over to the subsequent years, unless such excess revenues are requested to be returned to the grantor. The District had \$54 unearned revenue at June 30, 2016.

NOTE 9 Risk Management

The District is a member of the New Mexico Public Schools Insurance Authority (NMPSIA). The Authority was created to provide comprehensive core insurance programs by expanding the pool of subscribers to maximize cost containment opportunities for required insurance coverage. The District pays an annual premium to the NMPSIA based on claim experience and the status of the pool. The Risk Management Program includes workers compensation, general and automobile liability, automobile physical damage, and property and crime coverage. Also included under the risk management program are boiler, machinery and student accident insurance.

The NMPSIA provides coverage for up to a maximum of \$500,000,000 for each property damage claim with a \$10,000 deductible to each building and \$750 for contents. General liability coverage is afforded to all employees, volunteers and school board members and the limit is subject to the NMSA Tort Claims Act on a per occurrence basis. The automobile and property liability limit is subject to the provisions of the Tort Claims Act. The crime limit is \$250,000 per occurrence for faithful performance. A limit of \$250,000 applies to depositor's forgery, credit card forgery and money orders. A limit of \$100,000 applies to Money and Security, which includes a \$750 deductible.

In case the NMPSIA's assets are not sufficient to meet its liability claims, the agreement provides that subscribers, including the District, cannot be assessed additional premiums to cover the shortfall. As of June 30, 2016, there have been no claims that have exceeded insurance coverage.

NOTE 10 Other Required Individual Fund Disclosures

Generally accepted accounting principles require disclosures as part of the Combined Statements of certain information concerning individual funds including:

- A. Deficit fund balance of individual funds. The following funds reported a deficit fund balance at June 30, 2016:

Rural & Low Income Schools (24160)	(\$ 2,937)
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- B. Excess of expenditures over appropriations. The PreK Initiative Fund did not have a budget for the year ended June 30, 2016, and the District over expended the fund in total in the amount of \$79,001, \$60,652 in the Instruction function and \$18,349 in the Student Transportation function.

- C. Cash appropriations in excess of available cash balance. No funds had cash appropriations in excess of available cash balances.

NOTE 11 General Information on the Pension Plan – Educational Retirement Board

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

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

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.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

Contributions. The contribution requirements of defined benefit plan members and the District are established in state statute under Chapter 10, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. For the fiscal years ended June 30, 2016 and 2015 employers contributed 13.90% of employees' gross annual salary to the Plan. Employees earning \$20,000 or less contributed 7.90% and employees earning more than \$20,000 contributed 10.70% of their gross annual salary. Contributions to the pension plan from the District were \$791,656 for the year ended June 30, 2016.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. The total ERB pension liability, net pension liability, and sensitivity information were based on an annual actuarial valuation performed as of June 30, 2014. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2015, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the District's reported a liability of \$12,691,556 for its proportionate share of the net pension liability. The District's proportion of the net pension liability is based on the employer contributing entity's percentage of total employer contributions for the fiscal year ended June 30, 2015. The contribution amounts were defined by Section 22-11-21, NMSA 1978. At June 30, 2015, the District's proportion was 0.19594%, which was a decrease of 0.00958% from its proportion measured as June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$709,223. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net (Inflows) Outflows
Differences between expected and actuarial experience	\$ -	\$ (235,290)	\$ (235,290)
Changes of assumptions	436,530	-	436,530
Net difference between projected and actual earnings on pension plan investments	705,094	(762,222)	(57,128)
Changes in proportion and differences between Tucumcari Public School's contributions and proportionate share of contributions	-	(642,593)	(642,593)
Tucumcari Public Schools contributions subsequent to the measurement date	791,772	-	791,772
Total	\$ 1,933,396	\$ (1,640,105)	\$ 293,291

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

Deferred outflows of resources of related to pensions resulting from the District’s contributions subsequent to the measurement date of June 30, 2015 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2017	\$ (285,153)
2018	(266,217)
2019	(123,384)
2020	176,273
Thereafter	-
Total	<u><u>\$ (498,481)</u></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, 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. There were no significant events or changes in benefit provisions that required an adjustment to the roll-forward liabilities as of June 30, 2015. Specifically, the liabilities measured as of June 30, 2015 incorporate the following assumptions:

1. All members with an annual salary of more than \$20,000 will contribute 10.10% during the fiscal year ending June 30, 2014 and 10.7% thereafter.
2. Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
3. COLAs for most retirees are reduced until ERB attains a 100% funded status.
4. These assumptions were adopted by ERB on April 26, 2013 in conjunction with the six-year experience study period ending June 30, 2012.

For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years. The actuarial methods and assumptions used to determine contribution rates included in the measurement are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Remaining Period	Amortized – closed 30 years from June 30, 2012 to June 30, 2042
Asset Valuation Method	5 year smoothed market for funding valuation (fair value for financial valuation)
Inflation	3.00%
Salary Increases	Composition: 3% inflation, plus 1.25% productivity increase rate, plus step rate promotional increases for members with less than 10 years of service
Investment Rate of Return	7.75%
Retirement Age	Experience based table of age and service rates

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 11 General Information on the Pension Plan – Educational Retirement Board (Continued)

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 (employer's) net pension liability under the current single rate assumption, as if it were calculated using a discount rate one percentage point lower (6.75%) or one percentage point higher (8.75%) than the single discount rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Tucumcari Public Schools' proportionate share of the net pension liability	<u>\$ 17,077,336</u>	<u>\$ 12,691,556</u>	<u>\$ 9,007,044</u>

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

Payables to the pension plan. The District has no outstanding liability to the pension plan at June 30, 2016 as all amounts owed were paid by year-end.

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

Plan Description. Tucumcari Public Schools 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.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 12 **Post-Employment Benefits – State Retiree Health Care Plan (Continued)**

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 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, June 30, 2015, and June 30, 2014 are \$113,899, \$111,432, and \$113,297, respectively, which equal the required contributions for each year.

NOTE 13 **Unavailable Revenues**

The District had \$143,654 of property taxes and \$128,208 of grant revenues which were earned and due at June 30, 2016 but not received within 60 days of year-end.

NOTE 14 **Concentrations**

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

NOTE 15 **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.

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

NOTE 16 **Subsequent Accounting Standard Pronouncements**

In June 2015, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, was issued. Effective Date: The provisions of this Statement established requirements for defined benefit pensions that are not within the scope of Statement No. 68 in financial reporting periods beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 16 **Subsequent Accounting Standard Pronouncements (Continued)**

In June 2015, GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was issued. Effective Date: The provisions of this Statement are effective for postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for fiscal years beginning after June 15, 2016. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In June 2015, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was issued. Effective Date: The provisions of this Statement are effective for addressing accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers for fiscal years beginning after June 15, 2017. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In August 2015, GASB Statement No. 77, *Tax Abatement Disclosures*, was issued. Effective Date: The provisions of this Statement require governments that enter into tax abatement agreements to disclose relevant information about those agreements and is effective for fiscal years beginning after December 15, 2015. Earlier application is encouraged. The District is still evaluating how this standard will affect the District.

In December 2015, GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, was issued. Effective Date: The provisions of this Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plans and is effective for fiscal years beginning after December 15, 2015. The District is still evaluating how this standard will affect the District.

In January 2016, GASB Statement No. 80, *Blending Requirements for Certain Component Units—*an amendment of GASB Statement No. 14, was issued. Effective Date: The provisions of this Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and is effective for reporting periods beginning after June 15, 2016. The District is still evaluating how this standard will affect the District.

In March 2016, GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, was issued. Effective Date: The provisions of this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period and is effective for reporting periods beginning after December 15, 2016. The District is still evaluating how this standard will affect the District.

In March 2016, GASB Statement No. 82, *Pension Issues—*an amendment of GASB Statements No. 67, No. 68, and No. 73, was issued. Effective Date: The provisions of this Statement clarifies that payments that are made by an employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of Statement 67 and as employee contributions for purposes of Statement 68. It also requires that an employer's expense and expenditures

for those amounts be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions and is effective for reporting periods after June 15, 2016. The District is still evaluating how this standard will affect the District.

**STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016**

NOTE 17 **Prior Period Adjustment**

During review of the District's capital assets, it was determined that some items had not been previously recorded nor properly depreciated in prior years. These items were corrected which resulted in a net increase of capital assets of \$670,259.

NOTE 18 **Subsequent Events**

A review of subsequent events through October 17, 2016 which is the date the financial statements were available to be issued, indicated nothing of audit significance.

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REQUIRED SUPPLEMENTARY INFORMATION

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2016

Schedule I

	<u>2016</u>	<u>2015</u>
Tucumcari Public Schools' proportion of the net pension liability	0.19594%	0.20552%
Tucumcari Public Schools' proportionate share of the net pension liability	\$ 12,691,556	\$11,726,409
Tucumcari Public Schools' covered-employee payroll	\$ 5,349,790	\$ 5,664,862
Tucumcari Public Schools' proportionate share of the net pension liability as a percentage of covered-employee payroll	237.23%	207.00%
Plan fiduciary net position as a percentage of total pension liability	63.97%	66.54%

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

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF PENSION CONTRIBUTIONS
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
LAST 10 FISCAL YEARS*
JUNE 30, 2016

Schedule II

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 791,772	\$ 774,571
Contributions in relation to the contractually required contribution	791,772	774,571
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Tucumcari Public Schools' covered-employee payroll	\$ 5,699,133	\$ 5,577,460
Contributions as a percentage of covered-employee payroll	13.89%	13.89%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the Tucumcari Public Schools will present information for those years for which information is available.

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
EDUCATIONAL RETIREMENT BOARD (ERB) PLAN
JUNE 30, 2016

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

Changes of assumptions.

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

1. Fiscal year 2015 valuation assumptions that changed based on this study:
 - a. Lower wage inflation from 4.25% to 3.75%
 - b. Update mortality tables to incorporate generational improvements
 - c. Update demographic assumptions to use currently published tables which may result in minor calculation changes
 - e. Remove population growth assumption for projections
 - f. Lower population growth from 0.50% to zero. (No impact on valuation results.)

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

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

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

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

Statement A-1

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 426,104	\$ -	\$ -	\$ 426,104
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	89,120	-	-	89,120
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	3,443	-	-	3,443
	<u>518,667</u>	<u>-</u>	<u>-</u>	<u>518,667</u>
<i>Total assets</i>	<u>518,667</u>	<u>-</u>	<u>-</u>	<u>518,667</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	10,013	-	-	10,013
Accrued payroll liabilities	-	-	-	-
Interfund payables	64,762	-	-	64,762
Unearned revenue	-	-	-	-
	<u>74,775</u>	<u>-</u>	<u>-</u>	<u>74,775</u>
<i>Total liabilities</i>	<u>74,775</u>	<u>-</u>	<u>-</u>	<u>74,775</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	2,937	-	-	2,937
	<u>2,937</u>	<u>-</u>	<u>-</u>	<u>2,937</u>
<i>Total deferred inflows of resources</i>	<u>2,937</u>	<u>-</u>	<u>-</u>	<u>2,937</u>
FUND BALANCES				
Nonspendable	3,443	-	-	3,443
Restricted for:				
Grant mandates	184,702	-	-	184,702
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	255,747	-	-	255,747
Unassigned	(2,937)	-	-	(2,937)
	<u>440,955</u>	<u>-</u>	<u>-</u>	<u>440,955</u>
<i>Total fund balances</i>	<u>440,955</u>	<u>-</u>	<u>-</u>	<u>440,955</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 518,667</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 518,667</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Statement A-2

	SPECIAL REVENUE	CAPITAL PROJECTS	DEBT SERVICE	TOTAL
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	198,595	-	-	198,595
Federal grants	919,540	-	-	919,540
Miscellaneous	3,600	-	-	3,600
Charges for services	49,793	-	-	49,793
Investment income	-	-	-	-
<i>Total revenues</i>	<u>1,171,528</u>	<u>-</u>	<u>-</u>	<u>1,171,528</u>
<i>Expenditures:</i>				
Current:				
Instruction	243,531	-	-	243,531
Support services				
Students	124,312	-	-	124,312
Instruction	28,095	-	-	28,095
General administration	18,602	-	-	18,602
School administration	995	-	-	995
Central services	30,352	-	-	30,352
Operation & maintenance of plant	-	-	-	-
Student transportation	18,349	-	-	18,349
Other support services	-	-	-	-
Food services operations	570,105	-	-	570,105
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
<i>Total expenditures</i>	<u>1,034,341</u>	<u>-</u>	<u>-</u>	<u>1,034,341</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>137,187</u>	<u>-</u>	<u>-</u>	<u>137,187</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>137,187</u>	<u>-</u>	<u>-</u>	<u>137,187</u>
<i>Fund balances - beginning of year</i>	<u>303,768</u>	<u>-</u>	<u>-</u>	<u>303,768</u>
<i>Fund balances - end of year</i>	<u>\$ 440,955</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,955</u>

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

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SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS DESCRIPTIONS

The Special Revenue Funds are used to account for Federal, State and Local funded grants. These grants are awarded to the District with the purpose of accomplishing specific educational tasks. Special Revenue Funds include:

Food Services (21000) - This fund is utilized to account for Federal and Local sources of income relating to the food service programs. The Food Service Fund is segregated into two categories, one being the Federal funds and the other being Non-Federal funds. Federal funds consist of National School Lunch Program, which is administered by the State of New Mexico for the purpose of making breakfast and lunch available to all school children and to encourage the domestic consumption of agricultural commodities and other food components. Authority for the creation of this fund is NMSA 22-13-13. No minimum balance required according to legislation.

Athletics (22000) – This fund is used to account for fees generated at athletic activities throughout the School District. The gate receipts are obtained from the general public and are expended in this fund. The authority for creation of this fund is 6.20.2 NMAC. No minimum balance required according to legislation.

New Mexico Autism Project (24108) – To provide funds for research based programs for Autism provided through the New Mexico Public Education Department. No minimum balance required according to legislation.

IDEA-B Preschool (24109) – The objective of the Assistance to States for the Education of Handicapped Children Program is to assist in providing free, appropriate public education to all handicapped children from ages three to five. Federal revenues accounted for in this fund are allocated to the District through the New Mexico Department of Children, Youth and Families. Authority for creation of this fund is Public Law 105-17. No minimum balance required according to legislation.

IDEA-B “Risk Pool” (24120) – Funding for students with disabilities who are parentally placed in private elementary and secondary schools (“equitable participation services”) located in the school district. No minimum balance required according to legislation.

IDEA-B Results Plan (24132) – This account is to support the individual school site’s Educational Plan for Student Success, or areas in need of improvement as identified through an instructional audit. This is a pilot program for the New Mexico Real Results program required by US Dept. of Education of Special Education Programs. Authority for creation of this fund is the NMPED. No minimum balance required according to legislation.

Teacher/Principal Training & Recruiting (24154) – To improve the skills of teachers and the quality of instruction in mathematics and science, and also to increase the accessibility of such instruction to all students. No minimum balance required according to legislation.

Rural & Low-Income Schools (24160) – To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning in their schools. Elementary and Secondary Education Act, Title VI, Part B. No minimum balance required according to legislation.

USDA School Equipment Grant (24183) – To provide financial support for the purchase of kitchen equipment funded by the National School Lunch Program (NSLP). No minimum balance required according to legislation.

Title XIX Medicaid 3/21 Years (25153) – To provide school-based screening, diagnostic services and other related health services and administrative activities in conformance with the approved Medicaid State Plan in order to improve health and developmental outcomes for children. (P.L. 105-33). No minimum balance required according to legislation.

Tucumcari Band-Aides (26206) – To account for funds received in support of the music program at Tucumcari High School. No minimum balance required according to legislation.

Dual Credit Instructional Materials (27103) – To purchase college textbooks for students who dual enroll in college credited courses while still attending high school. No minimum balance required according to legislation.

2012 GO Bond Student Library Fund (SB66) (27107) – Funds used to purchase library books and library supplies for all school sites. Program is authorized by state statute. No minimum balance required according to legislation.

New Mexico Reads to Lead K-3 Reading Initiative (27114) – To account for funds provided by the New Mexico Public Education Department to support legislative initiative to improve reading in grades K-3. No minimum balance required according to legislation.

PreK Initiative (27149) – The Pre-K Initiative program provides high-quality early childhood services (in accordance with the NM Pre-K standards) to four year old children in need. Authorized through 32A-23-1 NMSA 1978. No minimum balance required according to legislation.

2013 School Bus (27178) – Funds are used to account for the replacement of school buses throughout the state. No minimum balance required according to legislation.

NM Grown Fresh Fruits and Vegetables (27183) – To account for funds provided by New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs. No minimum balance required according to legislation.

NMFLEX (28194) – Funds used to support rural communities in preserving access to primary and emergency health care services. No minimum balance required according to legislation.

Wind Farm Projects (29134) – Funds received by the district as a Payment in Lieu of Taxes from wind farms within Quay County. No minimum balance required according to legislation.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Food Services 21000	Athletics 22000	New Mexico Autism Project 24108	IDEA-B Preschool 24109
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ 270,940	\$ 7,153	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	8,223	-	4,992	6,341
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	3,443	-	-	-
<i>Total assets</i>	<u>282,606</u>	<u>7,153</u>	<u>4,992</u>	<u>6,341</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	10,013	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	4,992	6,341
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>10,013</u>	<u>-</u>	<u>4,992</u>	<u>6,341</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	3,443	-	-	-
Restricted for:				
Grant mandates	116,016	2,218	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	153,134	4,935	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>272,593</u>	<u>7,153</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 282,606</u>	<u>\$ 7,153</u>	<u>\$ 4,992</u>	<u>\$ 6,341</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132	Teacher/Principal Training & Recruiting 24154	Rural & Low-Income Schools 24160
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	196	10,913	5,497	2,937
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>196</u>	<u>10,913</u>	<u>5,497</u>	<u>2,937</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	196	10,913	5,497	2,937
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>196</u>	<u>10,913</u>	<u>5,497</u>	<u>2,937</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	2,937
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,937</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	(2,937)
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,937)</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 196</u>	<u>\$ 10,913</u>	<u>\$ 5,497</u>	<u>\$ 2,937</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	USDA School Equipment Grant 24183	Title XIX Medicaid 3/21 Years 25153	Tucumcari Band-Aides 26206	Dual Credit Instructional Materials 27103
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ 111,444	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	-	16,135	-	1,436
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>-</u>	<u>127,579</u>	<u>-</u>	<u>1,436</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	1,436
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	44,301	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	83,278	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>127,579</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 127,579</u>	<u>\$ -</u>	<u>\$ 1,436</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	2012 GO Bond Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	PreK Initiative 27149	2013 School Bus 27178
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ -	\$ -	\$ -
Accounts receivable				
Taxes	-	-	-	-
Due from other governments	8,122	4,536	19,792	-
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	-
<i>Total assets</i>	<u>8,122</u>	<u>4,536</u>	<u>19,792</u>	<u>-</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	-
Accrued payroll liabilities	-	-	-	-
Interfund payables	8,122	4,536	19,792	-
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>8,122</u>	<u>4,536</u>	<u>19,792</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	-
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted for:				
Grant mandates	-	-	-	-
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<i>Total fund balances</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ 8,122</u>	<u>\$ 4,536</u>	<u>\$ 19,792</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	NM Grown Fresh Fruits and Vegetables 27183	NMFLEX 28194	Wind Farm Projects 29134	Total
ASSETS				
<i>Current assets:</i>				
Cash and temporary investments	\$ -	\$ 22,167	\$ 14,400	\$ 426,104
Accounts receivable				-
Taxes	-	-	-	-
Due from other governments	-	-	-	89,120
Interfund receivables	-	-	-	-
Other	-	-	-	-
Inventory	-	-	-	3,443
<i>Total assets</i>	<u>-</u>	<u>22,167</u>	<u>14,400</u>	<u>518,667</u>
LIABILITIES				
<i>Current liabilities:</i>				
Accounts payable	-	-	-	10,013
Accrued payroll liabilities	-	-	-	-
Interfund payables	-	-	-	64,762
Unearned revenue	-	-	-	-
<i>Total liabilities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,775</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes	-	-	-	-
Unavailable revenues - other	-	-	-	2,937
<i>Total deferred inflows of resources</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,937</u>
FUND BALANCES				
Nonspendable	-	-	-	3,443
Restricted for:				
Grant mandates	-	22,167	-	184,702
Capital projects	-	-	-	-
Debt service	-	-	-	-
Assigned	-	-	14,400	255,747
Unassigned	-	-	-	(2,937)
<i>Total fund balances</i>	<u>-</u>	<u>22,167</u>	<u>14,400</u>	<u>440,955</u>
<i>Total liabilities, deferred inflows of resources, and fund balances</i>	<u>\$ -</u>	<u>\$ 22,167</u>	<u>\$ 14,400</u>	<u>\$ 518,667</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Statement B-2

	Food Services 21000	Athletics 22000	New Mexico Autism Project 24108	IDEA-B Preschool 24109
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	647,234	-	7,630	20,498
Miscellaneous	-	-	-	-
Charges for services	30,755	19,038	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>677,989</u>	<u>19,038</u>	<u>7,630</u>	<u>20,498</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	17,460	-	18,618
Support services				
Students	-	-	7,630	798
Instruction	-	-	-	-
General administration	-	-	-	1,082
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	569,080	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>569,080</u>	<u>17,460</u>	<u>7,630</u>	<u>20,498</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>108,909</u>	<u>1,578</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>108,909</u>	<u>1,578</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>163,684</u>	<u>5,575</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ 272,593</u>	<u>\$ 7,153</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Statement B-2

	IDEA-B "Risk Pool" 24120	IDEA-B Results Plan 24132	Teacher/Principal Training & Recruiting 24154	Rural & Low-Income Schools 24160
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	196	19,973	45,121	12,615
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>196</u>	<u>19,973</u>	<u>45,121</u>	<u>12,615</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	196	-	11,831	14,731
Support services				
Students	-	-	-	-
Instruction	-	19,973	-	-
General administration	-	-	14,527	821
School administration	-	-	995	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>196</u>	<u>19,973</u>	<u>27,353</u>	<u>15,552</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>17,768</u>	<u>(2,937)</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>-</u>	<u>17,768</u>	<u>(2,937)</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,768)</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,937)</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Statement B-2

	USDA School Equipment Grant 24183	Title XIX Medicaid 3/21 Years 25153	Tucumcari Band-Aides 26206	Dual Credit Instructional Materials 27103
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	5,413
Federal grants	-	166,273	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>166,273</u>	<u>-</u>	<u>5,413</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	23,251	1,010	5,413
Support services				
Students	-	89,459	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	30,352	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>143,062</u>	<u>1,010</u>	<u>5,413</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>23,211</u>	<u>(1,010)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>23,211</u>	<u>(1,010)</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>104,368</u>	<u>1,010</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 127,579</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Statement B-2

	2012 GO Bond Student Library Fund (SB66) 27107	New Mexico Reads to Lead K-3 Reading Initiative 27114	PreK Initiative 27149	2013 School Bus 27178
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	8,337	91,069	79,001	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>8,337</u>	<u>91,069</u>	<u>79,001</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	90,369	60,652	-
Support services				
Students	-	-	-	-
Instruction	8,122	-	-	-
General administration	-	700	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	18,349	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>8,122</u>	<u>91,069</u>	<u>79,001</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>215</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - beginning of year</i>	<u>(215)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Statement B-2

	NM Grown Fresh Fruits and Vegetables 27183	NMFLEX 28194	Wind Farm Projects 29134	Total
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	1,025	13,750	-	198,595
Federal grants	-	-	-	919,540
Miscellaneous	-	-	3,600	3,600
Charges for services	-	-	-	49,793
Investment income	-	-	-	-
<i>Total revenues</i>	<u>1,025</u>	<u>13,750</u>	<u>3,600</u>	<u>1,171,528</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	243,531
Support services				
Students	-	26,425	-	124,312
Instruction	-	-	-	28,095
General administration	-	1,472	-	18,602
School administration	-	-	-	995
Central services	-	-	-	30,352
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	18,349
Other support services	-	-	-	-
Food services operations	1,025	-	-	570,105
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,025</u>	<u>27,897</u>	<u>-</u>	<u>1,034,341</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>(14,147)</u>	<u>3,600</u>	<u>137,187</u>
<i>Other financing sources (uses):</i>				
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net changes in fund balances</i>	<u>-</u>	<u>(14,147)</u>	<u>3,600</u>	<u>137,187</u>
<i>Fund balances - beginning of year</i>	<u>-</u>	<u>36,314</u>	<u>10,800</u>	<u>303,768</u>
<i>Fund balances - end of year</i>	<u>\$ -</u>	<u>\$ 22,167</u>	<u>\$ 14,400</u>	<u>\$ 440,955</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOOD SERVICES SPECIAL REVENUE FUND (21000)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-3

	<u>Budgeted Amounts</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	470,000	470,000	594,550	124,550
Miscellaneous	-	-	-	-
Charges for services	15,500	15,500	30,755	15,255
Investment income	-	-	-	-
<i>Total revenues</i>	<u>485,500</u>	<u>485,500</u>	<u>625,305</u>	<u>139,805</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	570,045	655,629	524,495	131,134
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>570,045</u>	<u>655,629</u>	<u>524,495</u>	<u>131,134</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(84,545)</u>	<u>(170,129)</u>	<u>100,810</u>	<u>270,939</u>
<i>Other financing sources (uses):</i>				
Designated cash	84,545	170,129	-	(170,129)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>84,545</u>	<u>170,129</u>	<u>-</u>	<u>(170,129)</u>
<i>Net change in fund balance</i>	-	-	100,810	100,810
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>170,130</u>	<u>170,130</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,940</u>	<u>\$ 270,940</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 100,810	
Adjustments to revenues			52,684	
Adjustments to expenditures			(44,585)	
Net change in fund balance (GAAP basis)			<u>\$ 108,909</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
ATHLETICS SPECIAL REVENUE FUND (22000)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	14,000	14,000	19,038	5,038
Investment income	-	-	-	-
<i>Total revenues</i>	<u>14,000</u>	<u>14,000</u>	<u>19,038</u>	<u>5,038</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	15,045	19,575	17,460	2,115
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,045</u>	<u>19,575</u>	<u>17,460</u>	<u>2,115</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,045)</u>	<u>(5,575)</u>	<u>1,578</u>	<u>7,153</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,045	5,575	-	(5,575)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,045</u>	<u>5,575</u>	<u>-</u>	<u>(5,575)</u>
<i>Net change in fund balance</i>	-	-	1,578	1,578
<i>Cash or fund balance - beginning of year</i>	-	-	5,575	5,575
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,153</u>	<u>\$ 7,153</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 1,578	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 1,578</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NEW MEXICO AUTISM PROJECT SPECIAL REVENUE FUND (24108)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-5

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	7,630	3,979	(3,651)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>7,630</u>	<u>3,979</u>	<u>(3,651)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	7,630	7,630	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>7,630</u>	<u>7,630</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(3,651)</u>	<u>(3,651)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(3,651)	(3,651)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(1,341)</u>	<u>(1,341)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,992)</u>	<u>\$ (4,992)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (3,651)	
Adjustments to revenues			3,651	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B PRESCHOOL SPECIAL REVENUE FUND (24109)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-6

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	20,982	21,675	14,869	(6,806)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>20,982</u>	<u>21,675</u>	<u>14,869</u>	<u>(6,806)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	18,813	19,467	18,618	849
Support services				
Students	1,000	1,000	798	202
Instruction	-	-	-	-
General administration	1,169	1,208	1,082	126
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,982</u>	<u>21,675</u>	<u>20,498</u>	<u>1,177</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(5,629)</u>	<u>(5,629)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(5,629)	(5,629)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(712)</u>	<u>(712)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,341)</u>	<u>\$ (6,341)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (5,629)	
Adjustments to revenues			5,629	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B "RISK POOL" SPECIAL REVENUE FUND (24120)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-7

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	196	224	28
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>196</u>	<u>224</u>	<u>28</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	196	196	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>196</u>	<u>196</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>28</u>	<u>28</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	28	28
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(224)</u>	<u>(224)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (196)</u>	<u>\$ (196)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 28	
Adjustments to revenues			(28)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
IDEA-B RESULTS PLAN SPECIAL REVENUE FUND (24132)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-8

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	20,000	20,000	9,060	(10,940)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>20,000</u>	<u>20,000</u>	<u>9,060</u>	<u>(10,940)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students				
Instruction	20,000	20,000	19,973	27
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>20,000</u>	<u>20,000</u>	<u>19,973</u>	<u>27</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(10,913)</u>	<u>(10,913)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(10,913)	(10,913)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,913)</u>	<u>\$ (10,913)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (10,913)	
Adjustments to revenues			10,913	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TEACHER / PRINCIPAL TRAINING & RECRUITING SPECIAL REVENUE FUND (24154)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-9

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	55,145	80,481	39,624	(40,857)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>55,145</u>	<u>80,481</u>	<u>39,624</u>	<u>(40,857)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	32,355	56,280	11,831	44,449
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	19,790	21,201	14,527	6,674
School administration	3,000	3,000	995	2,005
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>55,145</u>	<u>80,481</u>	<u>27,353</u>	<u>53,128</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,271</u>	<u>12,271</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	12,271	12,271
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(17,768)</u>	<u>(17,768)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,497)</u>	<u>\$ (5,497)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 12,271	
Adjustments to revenues			5,497	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 17,768</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
RURAL & LOW-INCOME SCHOOLS SPECIAL REVENUE FUND (24160)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-10

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	15,601	15,601	12,750	(2,851)
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>15,601</u>	<u>15,601</u>	<u>12,750</u>	<u>(2,851)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	14,732	14,732	14,731	1
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	869	869	821	48
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>15,601</u>	<u>15,601</u>	<u>15,552</u>	<u>49</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(2,802)</u>	<u>(2,802)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(2,802)	(2,802)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(135)</u>	<u>(135)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,937)</u>	<u>\$ (2,937)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (2,802)	
Adjustments to revenues			(135)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (2,937)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
USDA SCHOOL EQUIPMENT GRANT SPECIAL REVENUE FUND (24183)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-11

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	12,000	12,000
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	12,000	12,000
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>(12,000)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 12,000	
Adjustments to revenues			(12,000)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TITLE XIX MEDICAID 3/21 YEARS SPECIAL REVENUE FUND (25153)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-12

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	100,000	100,000	162,561	62,561
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>100,000</u>	<u>100,000</u>	<u>162,561</u>	<u>62,561</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	25,158	25,158	23,251	1,907
Support services				
Students	102,468	136,231	90,403	45,828
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	31,500	31,500	30,352	1,148
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>159,126</u>	<u>192,889</u>	<u>144,006</u>	<u>48,883</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(59,126)</u>	<u>(92,889)</u>	<u>18,555</u>	<u>111,444</u>
<i>Other financing sources (uses):</i>				
Designated cash	59,126	92,889	-	(92,889)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>59,126</u>	<u>92,889</u>	<u>-</u>	<u>(92,889)</u>
<i>Net change in fund balance</i>	-	-	18,555	18,555
<i>Cash or fund balance - beginning of year</i>	-	-	92,889	92,889
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,444</u>	<u>\$ 111,444</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 18,555	
Adjustments to revenues			3,712	
Adjustments to expenditures			944	
Net change in fund balance (GAAP basis)			<u>\$ 23,211</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
TUCUMCARI BAND-AIDES SPECIAL REVENUE FUND (26206)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-13

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	1,010	1,010	1,010	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,010</u>	<u>1,010</u>	<u>1,010</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,010)</u>	<u>(1,010)</u>	<u>(1,010)</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,010	1,010	-	(1,010)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>1,010</u>	<u>1,010</u>	<u>-</u>	<u>(1,010)</u>
<i>Net change in fund balance</i>	-	-	(1,010)	(1,010)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,010</u>	<u>1,010</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (1,010)	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (1,010)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DUAL CREDIT INSTRUCTIONAL MATERIALS SPECIAL REVENUE FUND (27103)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-14

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	5,413	4,611	(802)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>5,413</u>	<u>4,611</u>	<u>(802)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	5,413	5,413	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>5,413</u>	<u>5,413</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(802)</u>	<u>(802)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(802)	(802)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(634)</u>	<u>(634)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,436)</u>	<u>\$ (1,436)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (802)	
Adjustments to revenues			802	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO

Statement B-15

TUCUMCARI PUBLIC SCHOOLS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL

2012 GO BOND STUDENT LIBRARY FUND (SB66) SPECIAL REVENUE FUND (27107)

FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	11,530	11,530	215	(11,315)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>11,530</u>	<u>11,530</u>	<u>215</u>	<u>(11,315)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	11,530	11,530	8,122	3,408
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>11,530</u>	<u>11,530</u>	<u>8,122</u>	<u>3,408</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(7,907)</u>	<u>(7,907)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(7,907)	(7,907)
<i>Cash or fund balance - beginning of year</i>	-	-	(215)	(215)
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (8,122)</u>	<u>\$ (8,122)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (7,907)	
Adjustments to revenues			8,122	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 215</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NEW MEXICO READS TO LEAD K-3 READING INITIATIVE SPECIAL REVENUE FUND (27114)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-16

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	95,700	95,700	90,078	(5,622)
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>95,700</u>	<u>95,700</u>	<u>90,078</u>	<u>(5,622)</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	95,000	95,000	90,369	4,631
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	700	700	700	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>95,700</u>	<u>95,700</u>	<u>91,069</u>	<u>4,631</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>(991)</u>	<u>(991)</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	(991)	(991)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(3,545)</u>	<u>(3,545)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,536)</u>	<u>\$ (4,536)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (991)	
Adjustments to revenues			991	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
PREK INITIATIVE SPECIAL REVENUE FUND (27149)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-17

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	79,886	79,886
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>79,886</u>	<u>79,886</u>
<i>Expenditures:</i>				
Current:				
Instruction	-	-	60,652	(60,652)
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	18,349	(18,349)
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>79,001</u>	<u>(79,001)</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>885</u>	<u>885</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	885	885
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(20,677)</u>	<u>(20,677)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,792)</u>	<u>\$ (19,792)</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 885	
Adjustments to revenues			(885)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
2013 SCHOOL BUS SPECIAL REVENUE FUND (27178)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-18

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	92,356	92,356
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>92,356</u>	<u>92,356</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>92,356</u>	<u>92,356</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	92,356	92,356
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>(92,356)</u>	<u>(92,356)</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 92,356	
Adjustments to revenues			(92,356)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NM GROWN FRESH FRUITS AND VEGETABLES SPECIAL REVENUE FUND (27183)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-19

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	1,025	1,025	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>1,025</u>	<u>1,025</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	1,025	1,025	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>-</u>	<u>1,025</u>	<u>1,025</u>	<u>-</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Other financing sources (uses):</i>				
Designated cash	-	-	-	-
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	-	-	-	-
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ -	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ -</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
NMFLEX SPECIAL REVENUE FUND (28194)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-20

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	15,000	15,000
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	14,046	33,110	26,425	6,685
Instruction	-	-	-	-
General administration	829	1,954	1,472	482
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,875</u>	<u>35,064</u>	<u>27,897</u>	<u>7,167</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(14,875)</u>	<u>(35,064)</u>	<u>(12,897)</u>	<u>22,167</u>
<i>Other financing sources (uses):</i>				
Designated cash	14,875	35,064	-	(35,064)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>14,875</u>	<u>35,064</u>	<u>-</u>	<u>(35,064)</u>
<i>Net change in fund balance</i>	-	-	(12,897)	(12,897)
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>35,064</u>	<u>35,064</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,167</u>	<u>\$ 22,167</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ (12,897)	
Adjustments to revenues			(1,250)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ (14,147)</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
WIND FARM PROJECTS SPECIAL REVENUE FUND (29134)
FOR THE YEAR ENDING JUNE 30, 2016

Statement B-21

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	3,600	3,600	3,600	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>3,600</u>	<u>3,600</u>	<u>3,600</u>	<u>-</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	14,400	14,400	-	14,400
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>14,400</u>	<u>14,400</u>	<u>-</u>	<u>14,400</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(10,800)</u>	<u>(10,800)</u>	<u>3,600</u>	<u>14,400</u>
<i>Other financing sources (uses):</i>				
Designated cash	10,800	10,800	-	(10,800)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>10,800</u>	<u>10,800</u>	<u>-</u>	<u>(10,800)</u>
<i>Net change in fund balance</i>	-	-	3,600	3,600
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>10,800</u>	<u>10,800</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,400</u>	<u>\$ 14,400</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 3,600	
Adjustments to revenues			-	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 3,600</u>	

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

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CAPITAL PROJECTS FUNDS

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
BOND BUILDING CAPITAL PROJECTS FUND (31100)
FOR THE YEAR ENDING JUNE 30, 2016

Statement C-3

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ -	\$ -	\$ -	\$ -
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	1,526	1,526
<i>Total revenues</i>	<u>-</u>	<u>-</u>	<u>1,526</u>	<u>1,526</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	1,500,000	1,508,898	1,225,047	283,851
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>1,500,000</u>	<u>1,508,898</u>	<u>1,225,047</u>	<u>283,851</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,500,000)</u>	<u>(1,508,898)</u>	<u>(1,223,521)</u>	<u>285,377</u>
<i>Other financing sources (uses):</i>				
Designated cash	1,500,000	1,508,898	-	(1,508,898)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	1,500,000	1,500,000
<i>Total other financing sources (uses)</i>	<u>1,500,000</u>	<u>1,508,898</u>	<u>1,500,000</u>	<u>(8,898)</u>
<i>Net change in fund balance</i>	-	-	276,479	276,479
<i>Cash or fund balance - beginning of year</i>	<u>-</u>	<u>-</u>	<u>1,508,897</u>	<u>1,508,897</u>
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,785,376</u>	<u>\$ 1,785,376</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 276,479	
Adjustments to revenues			-	
Adjustments to expenditures			35,723	
Net change in fund balance (GAAP basis)			<u>\$ 312,202</u>	

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
CAPITAL IMPROVEMENTS SB-9 CAPITAL PROJECTS FUND (31700)
FOR THE YEAR ENDING JUNE 30, 2016

Statement C-4

	Budgeted Amounts			
	Original Budget	Final Budget	Actual	Variance
<i>Revenues:</i>				
Property taxes	\$ 194,816	\$ 194,816	\$ 214,455	\$ 19,639
State grants	-	124,199	130,985	6,786
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>194,816</u>	<u>319,015</u>	<u>345,440</u>	<u>26,425</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	1,948	2,253	2,162	91
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	396,886	555,084	334,225	220,859
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total expenditures</i>	<u>398,834</u>	<u>557,337</u>	<u>336,387</u>	<u>220,950</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(204,018)</u>	<u>(238,322)</u>	<u>9,053</u>	<u>247,375</u>
<i>Other financing sources (uses):</i>				
Designated cash	204,018	238,322	-	(238,322)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>204,018</u>	<u>238,322</u>	<u>-</u>	<u>(238,322)</u>
<i>Net change in fund balance</i>	-	-	9,053	9,053
<i>Cash or fund balance - beginning of year</i>	-	-	238,322	238,322
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 247,375</u>	<u>\$ 247,375</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 9,053	
Adjustments to revenues			(1,360)	
Adjustments to expenditures			10,637	
Net change in fund balance (GAAP basis)			<u>\$ 18,330</u>	

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

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DEBT SERVICE FUNDS

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
DEBT SERVICE FUND (41000)
FOR THE YEAR ENDING JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original Budget	Final Budget		
<i>Revenues:</i>				
Property taxes	\$ 580,686	\$ 580,686	\$ 774,107	\$ 193,421
State grants	-	-	-	-
Federal grants	-	-	-	-
Miscellaneous	-	-	-	-
Charges for services	-	-	-	-
Investment income	-	-	-	-
<i>Total revenues</i>	<u>580,686</u>	<u>580,686</u>	<u>774,107</u>	<u>193,421</u>
<i>Expenditures:</i>				
<i>Current:</i>				
Instruction	-	-	-	-
Support services				
Students	-	-	-	-
Instruction	-	-	-	-
General administration	5,807	7,807	7,778	29
School administration	-	-	-	-
Central services	-	-	-	-
Operation & maintenance of plant	-	-	-	-
Student transportation	-	-	-	-
Other support services	-	-	-	-
Food services operations	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Reserve	788,552	811,473	-	811,473
Principal	455,000	455,000	455,000	-
Interest	125,686	125,686	125,262	424
<i>Total expenditures</i>	<u>1,375,045</u>	<u>1,399,966</u>	<u>588,040</u>	<u>811,926</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(794,359)</u>	<u>(819,280)</u>	<u>186,067</u>	<u>1,005,347</u>
<i>Other financing sources (uses):</i>				
Designated cash	794,359	819,280	-	(819,280)
Operating transfers	-	-	-	-
Proceeds from bond issues	-	-	-	-
<i>Total other financing sources (uses)</i>	<u>794,359</u>	<u>819,280</u>	<u>-</u>	<u>(819,280)</u>
<i>Net change in fund balance</i>	-	-	186,067	186,067
<i>Cash or fund balance - beginning of year</i>	-	-	819,281	819,281
<i>Cash or fund balance - end of year</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,005,348</u>	<u>\$ 1,005,348</u>
<i>Reconciliation to GAAP basis:</i>				
Net change in fund balance (cash basis)			\$ 186,067	
Adjustments to revenues			(4,883)	
Adjustments to expenditures			-	
Net change in fund balance (GAAP basis)			<u>\$ 181,184</u>	

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

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OTHER SUPPLEMENTAL INFORMATION

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
AGENCY FUNDS
SCHEDULE OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

Schedule III

	Balance June 30, 2015	Additions	Deletions	Adjustments	Balance June 30, 2016
High School	\$ 70,791	\$ 158,793	\$ 167,411	\$ -	\$ 62,173
Middle School	19,034	42,484	41,258	-	20,260
Elementary	26,954	15,333	20,491	-	21,796
Memorials/Scholarships	20,821	502	900	-	20,423
	<u>\$ 137,600</u>	<u>\$ 217,112</u>	<u>\$ 230,060</u>	<u>\$ -</u>	<u>\$ 124,652</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF PLEDGED COLLATERAL
FOR THE YEAR ENDED JUNE 30, 2016

Schedule IV

<u>Name of Depository</u>	<u>Description of Pledged Collateral</u>	<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Fair Market Value June 30, 2016</u>
Wells Fargo Bank	FNMA	1/1/2042	3138E4U58	\$ 1,472,524
	FNMA	10/1/2026	31418AAM0	463,070
Total Wells Fargo Bank				<u>\$ 1,935,594</u>

The securities are held, not in the District's name, at:

Bank of NY Mellon
One Wall Street
Fourth Floor
New York, NY 10286

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF CASH AND TEMPORARY INVESTMENT ACCOUNTS
JUNE 30, 2016

Schedule V

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
Wells Fargo Bank N.A.						
General Accounts	Checking	\$ 3,186,741	\$ -	\$ (466,873)	\$ 117,658	\$ 2,837,526
Direct Deposit	ACH	-	-	-	-	-
NMPSIA Clearing	ACH	11,667	-	(21,883)	10,216	-
David L/Sylvia York Scholarship Fund	Money Market	1,755	-	-	-	1,755
Rod David Memorial Fund	Money Market	2,818	-	-	-	2,818
DECA Scholarship Fund	Checking	12,700	-	-	-	12,700
AJ Moya Memorial Fund	Checking	3,150	-	-	-	3,150
Total Wells Fargo Bank		<u>\$ 3,218,831</u>	<u>\$ -</u>	<u>\$ (488,756)</u>	<u>\$ 127,874</u>	<u>\$ 2,857,949</u>

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
Citizens Bank						
Tucumcari High School	Checking	\$ 64,658	\$ -	\$ (2,485)	\$ -	\$ 62,173
Tucumcari Middle School	Checking	21,111	-	(831)	(20)	20,260
Tucumcari Elementary School	Checking	21,796	-	-	-	21,796
Total Quay Schools Federal Credit Union		<u>\$ 107,565</u>	<u>\$ -</u>	<u>\$ (3,316)</u>	<u>\$ (20)</u>	<u>\$ 104,229</u>

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
Quay Schools Federal Credit Union						
Certificate of Deposit	CD	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,000</u>

Bank Name/Account Type	Account Type	Bank Balance	Deposits in Transit	Outstanding Checks	Other Adjustments	Book Balance
Bank of Albuquerque						
Infrastructure and Improvement Bond Acct	Trust	\$ 302,803	\$ -	\$ -	\$ -	\$ 302,803
PSCOC Repay School Improv Bond Acct	Trust	1,482,573	-	-	-	1,482,573
Total Quay Schools Federal Credit Union		<u>\$ 1,785,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,785,376</u>
Total		<u><u>\$ 5,104,207</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (488,756)</u></u>	<u><u>\$ 127,874</u></u>	<u><u>\$ 4,847,554</u></u>

Cash per financial statements						
Cash and cash equivalents - Government Activities Exhibit A-1						\$ 4,722,902
Fiduciary funds - Exhibit D-1						124,652
						<u>\$ 4,847,554</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2016

Schedule VI

Primary Government

	Operational 11000	Transportation 13000	Instructional Materials 14000	Food Services 21000	Athletics 22000
Cash, June 30, 2015	\$ 1,881,040	\$ -	\$ 20,650	\$ 170,130	\$ 5,575
Add:					
Current year revenues	8,639,315	517,134	67,253	625,305	19,038
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Loans from other funds	-	-	-	-	-
Total cash available	10,520,355	517,134	87,903	795,435	24,613
Less:					
Current year expenditures	(8,980,750)	(517,134)	(46,077)	(524,495)	(17,460)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	(317,740)	-	-	-	-
Cash, June 30, 2016	<u>\$ 1,221,865</u>	<u>\$ -</u>	<u>\$ 41,826</u>	<u>\$ 270,940</u>	<u>\$ 7,153</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2016

Schedule VI

Primary Government

	Federal Flowthrough 24000	Federal Direct 25000	Local Grants 26000	State Flowthrough 27000	State Direct 28000
Cash, June 30, 2015	\$ (400,260)	\$ 92,889	\$ 1,010	\$ (117,427)	\$ 35,064
Add:					
Current year revenues	927,520	162,561	-	268,171	15,000
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Bond proceeds	-	-	-	-	-
Loans from other funds	283,854	-	-	33,886	-
Total cash available	811,114	255,450	1,010	184,630	50,064
Less:					
Current year expenditures	(816,106)	(144,006)	(1,010)	(184,630)	(27,897)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	-
Cash, June 30, 2016	<u>\$ (4,992)</u>	<u>\$ 111,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,167</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF CASH RECONCILIATIONS
JUNE 30, 2016

Schedule VI

Primary Government

	Local / State 29000	Bond Building 31100	Capital Improvements SB-9 31700	Debt Service 41000	Total
Cash, June 30, 2015	\$ 10,800	\$ 1,508,897	\$ 238,322	\$ 819,281	\$ 4,265,971
Add:					
Current year revenues	3,600	1,526	345,440	774,107	12,365,970
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Bond proceeds	-	1,500,000	-	-	1,500,000
Loans from other funds	-	-	-	-	317,740
Total cash available	14,400	3,010,423	583,762	1,593,388	18,449,681
Less:					
Current year expenditures	-	(1,225,047)	(336,387)	(588,040)	(13,409,039)
Permanent cash transfers	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Loans to other funds	-	-	-	-	(317,740)
Cash, June 30, 2016	<u>\$ 14,400</u>	<u>\$ 1,785,376</u>	<u>\$ 247,375</u>	<u>\$ 1,005,348</u>	<u>\$ 4,722,902</u>

The accompanying notes are an integral part of these financial statements

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF VENDOR INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

Schedule VII

Bid/RFP #	Names of Respondents	Physical Address of Vendor	Winning Vendor	Vendor Location		Vendor Selected Preference	
				In-State	Out-of-State	In-State	Veteran
2014-002	Cathy Fury	725 CR 45, Broadview, NM 88112		X			
Value of Contract:	\$ 79,000.00						
Scope of Work:	Coordinator/Diagnostic Services						
2014-003	Tucumcari Oil Co.	P.O. Box 889, Tucumcari, NM 88401		X			
Value of Contract:	\$ 45,000.00						
Scope of Work:	Coordinator/Diagnostic Services						

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title: Regional Education Cooperative Joint Powers Agreement

Participants: Tucumcari Public Schools and Regional Educational Center #6

Responsible Party: Regional Educational Center #6's Governing Council

Description: The parties have agreed to form a Regional Education Cooperative to participate in cooperative programs relating to education related services, provide professional services to the districts, and provide other optional services as needed.

Dates of Operation: July 1, 2015 through June 30, 2016 during which either party may give Notice of Intent to Terminate pursuant to the agreement.

Projected Cost: Not to exceed \$195,289

Audit Responsibility: Tucumcari Public Schools and Regional Educational Center #6

Fiscal Agent: Tucumcari Public Schools and Regional Educational Center #6

Reporting Agency: Tucumcari Public Schools and Regional Educational Center #6

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title:	Cost Sharing Construction Joint Powers Agreement
Participants:	Tucumcari Public Schools, PSCOC, and PSFA
Responsible Party:	Tucumcari Public Schools, PSCOC, and PSFA
Description:	Ensure the physical condition of school facilities meets adequate level to promote safe, functional, and durable learning environment.
Dates of Operation:	Ongoing but contingent on sufficient appropriations and authorizations being made by the legislature for performance of agreement.
Projected Cost:	Cost of materials and labor, if any
Audit Responsibility:	Tucumcari Public Schools, PSCOC, and PSFA
Fiscal Agent:	Tucumcari Public Schools, PSCOC, and PSFA
Reporting Agency:	Tucumcari Public Schools, PSCOC, and PSFA

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title:	Quay County DWI Program Memorandum of Agreement
Participants:	Tucumcari Public Schools and Quay County
Responsible Party:	Tucumcari Public Schools and Quay County DWI Program
Description:	Program to help decrease the illegal use and abuse of alcohol, tobacco, and other drugs in middle school and high school students.
Dates of Operation:	July 1, 2015 through June 30, 2016
Projected Cost:	None
Audit Responsibility:	Quay County
Fiscal Agent:	Quay County
Reporting Agency:	Tucumcari Public Schools and Quay County

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title:	Dual Credit Program Memorandum of Agreement
Participants:	Tucumcari Public Schools and Mesalands Community College
Responsible Party:	Tucumcari Public Schools and Mesalands Community College
Description:	Dual credit program that allows high school students to enroll in college level courses. Credit provided for graduation and post-secondary degree.
Dates of Operation:	July 1, 2015 through June 30, 2016
Projected Cost:	Cost of textbooks
Audit Responsibility:	None
Fiscal Agent:	Tucumcari Public Schools and Mesalands Community College
Reporting Agency:	Tucumcari Public Schools and Quay County

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title:	Head Start Memorandum of Understanding
Participants:	Tucumcari Public Schools and Eastern Plains CAA Head Start
Responsible Party:	Tucumcari Public Schools and Eastern Plains CAA Head Start
Description:	To support children's optimal development and readiness for school entry and success and to address unique strengths and needs.
Dates of Operation:	July 1, 2015 through June 30, 2016
Projected Cost:	None identified
Audit Responsibility:	Tucumcari Public Schools and Eastern Plains CAA Head Start
Fiscal Agent:	Tucumcari Public Schools and Eastern Plains CAA Head Start
Reporting Agency:	Tucumcari Public Schools and Eastern Plains CAA Head Start

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title:	Dual Credit Program Memorandum of Agreement
Participants:	Tucumcari Public Schools and Clovis Community College
Responsible Party:	Tucumcari Public Schools and Clovis Community College
Description:	Dual credit program that allows high school students to enroll in college level courses. Credit provided for graduation and post-secondary degree.
Dates of Operation:	July 1, 2015 through June 30, 2016
Projected Cost:	Cost of textbooks
Audit Responsibility:	None
Fiscal Agent:	Tucumcari Public Schools and Clovis Community College
Reporting Agency:	Tucumcari Public Schools and Clovis Community College

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title:	Outdoor Program Memorandum of Understanding
Participants:	Tucumcari Public Schools, Canadian River SWCD, and City of Tucumcari
Responsible Party:	Tucumcari Public Schools, Canadian River SWCD, and City of Tucumcari
Description:	Provide outdoor classroom to provide teaching resource, field trips, and hands-on experiments.
Dates of Operation:	Indefinite until modified or terminated by one of the partners by mutual consent
Projected Cost:	None identified
Audit Responsibility:	None
Fiscal Agent:	Tucumcari Public Schools, Canadian River SWCD, and City of Tucumcari
Reporting Agency:	Tucumcari Public Schools, Canadian River SWCD, and City of Tucumcari

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF JOINT POWERS AGREEMENTS
JUNE 30, 2016

Schedule VIII

Title:	Student eLearning Memorandum of Understanding
Participants:	Tucumcari Public Schools and New Mexico Public Education Department
Responsible Party:	Tucumcari Public Schools and New Mexico Public Education Department
Description:	Provide statewide eLearning services for students
Dates of Operation:	July 1, 2015 through June 30, 2017
Projected Cost:	Cost of system
Audit Responsibility:	Tucumcari Public Schools and New Mexico Public Education Department
Fiscal Agent:	Tucumcari Public Schools and New Mexico Public Education Department
Reporting Agency:	Tucumcari Public Schools and New Mexico Public Education Department

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

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COMPLIANCE SECTION



Manning Accounting and Consulting Services, LLC

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 AUDITORS REPORT

Timothy Keller
New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Tucumcari Public Schools
Tucumcari, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, the aggregate remaining fund information, the budgetary comparisons of the General Fund and major special revenue funds of the Tucumcari Public Schools (the "District"), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and the combining and individual funds and related budgetary comparisons of the District presented as supplementary information, and have issued our report thereon dated October 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses. (FS 2016-001)

A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies. (FS 2013-003 and FS 2014-005)

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 instances 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 Responses as items FS 2010-002, FS 2014-003, and FS 2015-001.

Response to Findings

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC

Kirtland, New Mexico

October 17, 2016

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FEDERAL FINANCIAL ASSISTANCE



Manning Accounting and Consulting Services, LLC

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

Timothy Keller, New Mexico State Auditor
The Office of Management and Budget
And the Board of Education of
Tucumcari Public Schools
Tucumcari, New Mexico

Report on Compliance for Each Major Federal Program

We have audited the Tucumcari Public Schools (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* 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 auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above 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 consider necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Manning Accounting and Consulting Services, LLC

Manning Accounting and Consulting Services, LLC
Kirtland, New Mexico
October 17, 2016

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule IX

Federal Grantor or Pass-Through Grantor / Program Title	Passthrough Number	Federal CFDA Number	Federal Expenditures
U.S. Department of Education			
<i>Passthrough State of New Mexico Public Education Department</i>			
Special Education Cluster (IDEA)			
IDEA B - Entitlement (1)	24106	84.027	\$ 287,549
New Mexico Autism Project (1)	24108	84.027	7,630
IDEA-B "Risk Pool" (1)	24120	84.027	196
IDEA-B Preschool (1)	24109	84.173	20,498
IDEA-B Results Plan (1)	24132	84.027	19,973
Total Special Education Cluster (IDEA)			<u>335,846</u>
Other Programs (Treated individually for major program determination)			
Title I IASA	24101	84.010	437,355
Teacher / Principal Training & Recruiting	24154	84.367	27,353
Rural & Low-Income Schools	24160	84.358	15,552
Total Other Programs			<u>480,260</u>
Total U.S. Department of Education			<u>816,106</u>
U.S. Department of Agriculture			
<i>Passthrough State of New Mexico Department of Education</i>			
Child Nutrition Cluster			
USDA School Breakfast Program (1)	21000	10.553	137,070
National School Lunch Program (1)	21000	10.555	387,549
<i>Subtotal - Passthrough State of New Mexico Department of Education</i>			<u>524,619</u>
<i>Passthrough State of New Mexico Department of Health and Human Services</i>			
Food Distribution (Commodities) (1)	21000	10.553/10.555	44,461
<i>Subtotal - Passthrough State of New Mexico Department of Health and Human Services</i>			<u>44,461</u>
Total Child Nutrition Cluster			<u>569,080</u>
Total U.S. Department of Agriculture			<u>569,080</u>
Total Federal Financial Assistance			<u>\$ 1,385,186</u>

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule IX

Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

2. Subrecipients

The District did not provide any federal awards to subrecipients during the year.

3. Non Cash Federal Assistance

The District receives USDA Commodities for use in sponsoring the National School Lunch and Breakfast programs. The value of commodities received for the year ended June 30, 2016 was \$44,461 and is reported in the Schedule of Expenditures of Federal Awards under the Department of Agriculture Commodities program, CFDA numbers 10.553 and 10.555. Commodities are recorded as revenues and expenditures in the food service fund.

4. Indirect Cost Rate

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. Certain of the District's federal award programs have been charged with indirect costs, based upon a rate established by the State of New Mexico, and the District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance applied to overall expenditures. The District's indirect cost rate for the year was 5.57%

5. Matching Costs

Matching costs (the District's share of certain program costs) are not included in the reported expenditures. The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

6. Insurance

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

7. Loan or Loan Guarantees

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

Reconciliation of Schedule of Expenditures of Federal Awards to Financial Statements:

Total federal awards expended per Schedule of Expenditures of Federal Awards	\$ 1,385,186
Total expenditures funded by other sources	11,913,158
	\$ 13,298,344
	\$ 13,298,344

(1) Denotes Major Federal Financial Assistance Program

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

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section I – Summary of Audit Results

Financial Statements:

- | | |
|--|------------|
| 1. Type of auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness in internal control identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes |
| c. Noncompliance material to financial statements noted? | None noted |

Federal Awards:

- | | |
|---|------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | None noted |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 2. Type of auditors’ report issued on compliance for major programs | Unmodified |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR-200.516(a)? | None noted |
| 4. Identification of major programs: | |

CFDA Number	Federal Program
10.553 and 10.555 84.027 and 84.173	Child Nutrition Cluster Special Education Cluster (IDEA)

- | | |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee? | No |

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings

FS 2010-002 [2010-02] – Budgetary Controls (Non-Compliance) Repeated and Revised

Criteria: According to 22-8-11 B NMSA 1978 Budgets; approval of operating budget:

B. No School district or state-chartered school or officer or employee of a school district or state-chartered school shall make any expenditure or incur any obligation for the expenditure of public funds unless that expenditure or obligation is made in accordance with an operating budget approved by the department. This prohibition does not prohibit the transfer of funds pursuant to the department's rules and procedures.

Condition: The District did not have an approved budget for the 2014-2015 fiscal year for Pre-K Initiative. However, the District expended \$71,287 from this fund, \$55,309 in the Instruction function and \$15,978 in the Student Transportation function.

This condition existed in the prior year and will continue to exist as long as the District is given approval to spend these funds or until the State changes the way in which it records and budgets these funds as is described below.

This is not an oversight or an error on the part of the District as all other funds are budgeted and expended within the confines of the statute. The District is in a catch-22 and must violate the budgeting statute in order to expend the funds legally allocated to them.

Cause: The District did not obtain a budget from the Public Education Department even though the District received an award. The District received \$79,886 from the Public Education Department for this fund during the 2015-2016 budget year and an additional \$19,792 after year-end to cover all expenditures of the fund.

The District receives these funds from a Regional Educational Cooperative (REC) which has been established by the State. However, these funds are budgeted at the REC and not at the District. The District has full rights to expend these funds and follow through on the program. The State does not want to show two separate entities budgeting and expending the same funds, so it only allows the REC to budget the funds but then distribute them to member districts where they are actually spent in accordance with the requirements of the fund.

This finding cannot be corrected until the State changes how it allows districts to budget these funds from the REC.

Effect: The internal controls established by adherence to budgets have been compromised, and excess spending could, and did, result. In addition, New Mexico statutes have been violated. However, there is no way to administer the program and expend the funds allocated to the District without violating the statute. Until the State changes the method it accounts for these types of funds administered through an REC, the member districts will be in violation of the statute, and there is nothing they can do to avoid non-compliance.

Auditor's Recommendation: We recommend that the District continue to bring this to the attention of the State that its own requirements on how these funds are budgeted and expended from an REC will result in a finding for legally expending funds. This finding should exist for every district which expends these types of funds which are distributed through an REC.

Responsible Official's Plan:

- Specific corrective action plan for finding: **Business Manager has not been given a way to fix this**

- Timeline for completion of corrective action plan: **Dependent on State changing procedures**

- Employee position(s) responsible for meeting the timeline: **None**

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2013-003 [2013-03] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised

Criteria: Per the New Mexico Manual of Procedures for Public School Accounting and Budgeting, Supplement 13 – Purchasing, “the preparation and execution of a duly authorized purchase order must precede the placement of any order for goods, services or construction.” Additionally, “all verified items or services should be recorded on the receiving document or other recording instrument (i.e., electronic file)”, and “upon verifying and recording the receipt of all the items or services ordered, the receiving document or recording instrument shall be manually or electronically signed by authorized receiving personnel and processed for payment according to procedures established by school District or charter school boards’ of education local procedures.” Relevant statutes include 13-1-157 and 13-1-158 NMSA 1978.

Condition: During our testing of cash disbursements, individually significant disbursements, and Single Audit disbursements we noted several instances in which proper procedures were not followed.

- In two of 25 items reviewed the purchase order was created after the goods or services were purchased. In the first instance the invoice date was 7/23/15 and the purchase order was created on 7/28/15. In the second instance an official was paid for a game on 2/11/16 and the purchase order was created on 2/16/16. The value of these purchases were \$6,417.75 and \$38 respectively.

The operational procedures of the District have improved in the current year. In the previous audit we identified five instances in which the purchase order was created after the goods or services were received; two instances where proper receiving documentation was not evident; and one instance in which meals for travel were improperly reimbursed.

During our testing of activity disbursements we identified the following instances in which proper procedures were not followed.

- In two of 25 items reviewed the purchase order was created after the goods or services were purchased. In the first instance the invoice date was 8/21/15 and the purchase order was created on 8/26/15. In the second instance the invoice is dated 3/10/2016 and the purchase order was created on 3/14/2016. The value of these purchases was \$32.48 and \$204.00 respectively.
- In 14 of 25 items reviewed there was no receiving documentation to show when goods or services were received. The value of these items ranged from \$10.10 to \$4,903.00.
- In three of 25 items reviewed there was no invoice to verify the purchase price. The value of these purchase were \$11.25, \$40.00, and \$79.00.

The procedures for activity accounts have the same types and quantities of non-compliance as in the previous year. In the previous audit we identified 17 instances in which there was no receiving documentation. There were 4 instances in which the purchase order was created after the invoice date. One purchase did not have an invoice to support the payment.

During our review of purchasing card purchases we noted one instance in which the purchase order was created after goods and services were purchased.

In the previous year we had identified two instances in which purchase orders were not in place prior to the purchase.

Additionally, in the previous year’s testing of travel and per-diem, we identified two instances in which purchase orders were entered after the travel had occurred. In the current year’s testing of travel and per-diem, no such instances were identified.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2013-003 [2013-03] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised (Continued)

Cause: District personnel did not ensure that there was a valid purchase order created prior to incurring an expense. Additionally, activity account procedures have not followed District and State policies for purchasing, receiving and proper supporting documentation.

Effect: The District has not followed state guidelines and proper District procedures which creates the possibility of fraud or misuse of District and student funds. Proper internal controls provides better assurances that students' funds are being effectively maintained and overseen.

Auditor Recommendation: We recommend that District personnel ensure that a valid purchase order is in order prior to any goods or services being purchased. Additionally, we recommend that the District stress the necessity of maintaining proper internal controls with activity funds as well. The District has made significant improvements over the past two years in receiving, documentation, and inputting purchase orders prior to expending funds; however, there has been little change in activity fund procedures. Staff at the school sites should be trained in proper procedures and those who oversee these funds should provide the same care to follow State and District policies as they do for operational funds.

Responsible Official's Plan:

- Specific corrective action plan for finding:

Central Office Findings

1. **Maintenance workers have been informed that no purchases are to be made without a PO number in hand. If there is a real need for the approval of a PO, they will alert Central Office and the requisition will be rushed thru by the approvers.**
2. **An open PO will be issued at the beginning of each year to cover referees that are brought in at the last minute. The PO will be in the 22000 fund code for refs and will be to Tucumcari Schools so money is encumbered.**

Elementary Office Response—

She will attach a signed copy of the packing slip to verify receiving date. Also a quote and an invoice will be attached to verify the purchase price of the transaction.

MS Office Response—

Proper training was given at the beginning of the 16-17 school year on procedures. Once and invoice has been received, verification of pricing will be compared to the Purchase Order. If there are changes then they will be explained.

HS Office Response--

- ***Prior to purchase, staff will have Purchase Order in hand.***
- ***Staff will sign and date all receipts.***
- ***Purchase Orders will be paid off of an invoice only.***
- ***When check must be included with registration form, have request from Sponsor, signed and dated.***
- ***No check will be written without completed paperwork attached.***
- ***Letter of Corrective Action will be given to sponsor/worker when breach of procedures has been found.***

- Timeline for completion of corrective action plan:

Central Office and Maintenance Timelines—July 1, 2016

Elementary timeline—October 14, 2016

MS timeline—July 1, 2016

HS timeline--October 19, 2016

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2013-003 [2013-03] – Purchase Orders and Payment Authorization (Significant Deficiency) Repeated and Revised (Continued)

- Employee position(s) responsible for meeting the timeline

Central Office—Business Office

Maintenance—Custodial Supervisor

Elementary—Administrative Assistant to Principal

MS—Secretary

THS—Office Personnel and Staff who work with Activity Accounts

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014 – 003 – Background Checks and Licensing (Non-Compliance) Repeated and Revised

Criteria: According to 22-10A-5 NMSA 1978

C. Local school boards and regional education cooperatives shall develop policies and procedure to **require background checks on an applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school.**

D. An applicant for employment who has been initially licensed within twenty-four months of applying for employment with a local school board, regional education cooperative or a charter school shall not be required to submit to another background check **if the department has copies of the applicant's federal bureau of investigation records on file.** An applicant who has been offered employment, a contractor or a contractor's employee with unsupervised access to students at a public school shall provide two fingerprint cards or the equivalent electronic fingerprints to the local school board, regional education cooperative or charter school to obtain the applicant's federal bureau of investigation record. The applicant, contractor or contractor's employee who has been offered employment by a regional education cooperative or at a public school may be required to pay for the cost of obtaining a background check. **At the request of a local school board, regional education cooperative or charter school, the department is authorized to release copies of federal bureau of investigation records that are on file with the department and that are not more than twenty-four months old.** Convictions of felonies or misdemeanors contained in the federal bureau of investigation record shall be used in accordance with the Criminal Offender Employment Act; provided that other information contained in the federal bureau of investigation record, if supported by independent evidence, may form the basis for the employment decisions for good and just cause. Records and related information shall be privileged and shall not be disclosed to a person not directly involved in the employment decision affecting the specific applicant who has been offered employment, contractor or contractor's employee with unsupervised access to students at a public school.

Additionally 22-10A-3 NMSA 1978 states:

A. Except as otherwise provided in this subsection, any person teaching, supervising an instructional program or providing instructional support services in a public school or state agency; any person administering in a public school; and any person providing health care and administering medications or performing medical procedures in a public school shall hold a valid license or certificate from the department authorizing the person to perform that function. This subsection does not apply to a person performing the functions of a practice teacher as defined by the state board [department].

C. A person performing the duties of a licensed school employee who does not hold a valid license or certificate or has not submitted a complete application for licensure or certification within the first three months from beginning employment duties shall not be compensated thereafter for services rendered until he demonstrates that he holds a valid license or certificate. This section does not apply to practice teachers as defined by rules of the state board [department].

Condition: During our review of personnel files we noted several instances where required documentation was not found in the employees personnel file.

- In three of the 25 files reviewed there was no copy of the FBI background check in the file.

In the previous year there were also three files which were missing valid FBI background checks.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014 – 003 – Background Checks and Licensing (Non-Compliance) Repeated and Revised (Continued)

Cause: Tucumcari Public Schools have not followed state guidelines in regards to documentation of licensure and background checks. While the District reviewed the personnel files over the past year and had many staff members perform background checks to bring the files up to state guidelines, a few files were still missing these background checks.

Effect: The School's failure to maintain a background check report in the employee file is a violation of state statute and puts the District and School at additional risk of liability for any actions that may arise regarding employees.

Auditor's Recommendation: We recommend that Tucumcari Public School's establish a policy regarding background checks and ensure they are properly maintained within the employee personnel file.

Responsible Official's View:

- Specific corrective action plan for finding:

Any new employee or volunteer for the District are now required to register for a background check, and complete this through the Tucumcari Police Department. The Administration office then is able to go into the Cogent Background check and pull up the FBI report.

If an employee is applying for a teaching license, then they must sign an authorization form to release a copy of their FBI background report. This is sent to the Public Education Department, and then the Public Education Department sends the FBI report to the District. This is because a different ORI number must be used rather than the District ORI number.

- Timeline for completion of corrective action plan:

There were three employees that the FBI Report was not found. One of these left the District at the end of the last school year. Another has come back on a part time basis, and he has been finger printed and we have his FBI report on file. The third employee we had sign the consent form to be sent to the Public Education Department. This was returned to us stating that they were unable to release copy of the FBI report, and the file had expired 7-5-2003.

- Employee position(s) responsible for meeting the timeline

Administrative Assistant to Superintendent

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-005 – Timeliness of Deposits (Significant Deficiency) Repeated and Revised

Criteria: NMAC 6.20.2.14 1978:

- A. School districts shall establish and maintain a cash management program to safeguard cash and provide prompt and accurate reporting that adheres to cash management requirements of the office of management and budget (OMB) Circular A-102, and applicable state and federal laws and regulations.
- B. The school district shall issue a factory pre-numbered receipt for all money received. Pre-numbered receipts are to be controlled and secured. If a receipt is voided, all copies shall be marked "VOID" and retained in the receipt book.
- C. Money received and receipted shall be deposited in the bank within twenty-four (24) hours or one banking day. If the distance to the bank is considerable, or the cash collection is limited to small amounts and/or low volume and it is impractical to meet the twenty-four hour/one banking day requirement, the local board may request approval from the department for an alternative plan. The bank deposit slip shall have the numbers from applicable receipts entered on it or attached as a reference.
- D. A cash receipts journal is to be used for each fiscal year beginning July 1 and ending June 30, and is to be presented to the school district's auditor during the annual audit.

Condition: During our review of activity cash receipts we noted the following instances where proper procedures were not followed.

- In seven of 25 items reviewed the receipts did not match the deposits made. In some instances the amount of the deposit was greater than the total of the accompanying receipts, in other instances there was no receipt to verify who the money was received from or when it was received. The amount of the deposits varied from \$10.00 to \$1,277.14.
- In 11 of 25 items reviewed deposits were either not deposited within 24 hours of receipt, or there was no date on the receipt to confirm when the money was received by the school. In seven of the 11 instances reviewed there was no date given. On the 4 receipts which had a date the deposit was completed between 4 and 20 days after the funds were received.
- In four of 25 items reviewed there was no receipt to account for money received and deposited. The amount of these deposits varied from \$92.86 to \$1,277.14.

The controls over activity receipts and deposits have fallen significantly over the previous year. In the previous year, only one activity deposit was not made within 24 hours.

Additionally, in the previous year, one operational deposit was not made within 24 hours and four deposits from food services did not have sufficient documentation to verify if deposits had been made in a timely fashion. In the current year, no issues were identified during our sampling of operational deposits.

Cause: The staff of the District did not deposit the funds within 24 hours after receipt. Proper procedures relating to cash receipts were not followed. While procedures for operational accounts appear to be adequately followed, the same care has not been taken with activity receipts and deposits of the students.

Effect: Non-adherence to state statutes places the District in noncompliance and lack of timeliness of deposits and proper receipt documentation could subject the District to a possible occurrence of fraud.

Auditors' Recommendations: We recommend that the District emphasize the importance of timely deposits of receipts and monitor receipts more closely in order to be compliant with state statutes. The District should cross-train employees so that more than one individual is able to make deposits to ensure timely deposits are possible. Additionally, those individuals who supervise fundraising activities for the students should be trained in the procedures which are required to follow state and District policies. Discussions with some District personnel responsible for these activities at the schools indicated that there is still confusion and misunderstanding of what is

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2014-005 – Timeliness of Deposits (Significant Deficiency) Repeated and Revised (continued)

required. Proper oversight of these procedures by site personnel will be required to improve these procedures in the District.

Responsible Official's View:

- Specific corrective action plan for finding:

Elementary Response—Create a notebook with date, check received, and initials of individual receiving the check. A copy of the check will be attached to the deposit made.

Mid School Response—Proper training was given at the beginning of the 16-17 school year on procedures. Receipts will be made immediately upon receiving monies from a person and verified that the amount is matching their receiving documentation. Deposits will be made within 24 hours of receipt of the money.

High School Response—

Staff will sign and date all receipts

Upon advisement of Business Manager, copies will be made of checks received. Notebook will be created to post checks received.

Receipt numbers will be written on deposit slip.

Dates will be written on all receipts issued by sponsor.

Each deposit will be on a separate deposit slip.

Letter of Corrective Action will be given to sponsor/worker when breach of procedures has been found.

- Timeline for completion of corrective action plan:

Elementary –October 13, 2016

Mid School—July 1, 2016

High School--October 19, 2016

- Employee position(s) responsible for meeting the timeline:

Elementary Administrative Assist to Principal

Middle School Secretary

THS Office Personnel and Staff who work with Activity Accounts

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2015-001 – Failure to Follow Bid Procedures (Non-Compliance) Repeated and Revised

Criteria: 1.4.1.51 NMAC 1978 SMALL PURCHASES OF ITEMS OF TANGIBLE PERSONAL PROPERTY, CONSTRUCTION AND NONPROFESSIONAL SERVICES:

- A. **Quotation to be obtained.** Insofar as it is practical for small purchases of nonprofessional services, construction or items of tangible personal property having a value exceeding twenty thousand dollars (\$20,000) but not exceeding sixty thousand dollars (\$60,000), and in accordance with any procedures or processes set forth by the state purchasing agent, no fewer than three businesses shall be solicited via written requests containing the specifications for the procurement to submit written quotations that are recorded and placed in the procurement file. If three written quotes cannot be obtained, the agency shall document the reasons and include the document in the procurement file. Such notations as “does not carry” or “did not return my phone call” do not qualify as a valid quotation. If the lowest quotation is not acceptable, the central purchasing office must issue a written determination as to the reasons for such a decision. These reasons must not be arbitrary or capricious. The written determination becomes a part of the procurement file.
- B. **Disclosure.** Prior to award, the contents of any response to a quotation shall not be disclosed to any other business from which the same request for quotation is also being solicited. Award in this context means the final required state agency signature on the contract(s) resulting from the procurement.
- C. **Award.** Award shall be made to the business offering the lowest acceptable quotation
- D. **Records.** The names of the businesses submitting quotations and the date and the amount of each quotation shall be recorded and maintained as a public record.

Condition: During our testing of maintenance costs items we identified a vendor who provided more than \$20,000 in products but there were no quotes obtained for this contract. The award was for custodial supplies and the vendor was paid \$56,510.59 for these supplies.

The District appears to have improved processes for bids and RFPs during the current year. During the previous year the above vendor had also provided products to the District without proper quotes. In addition, one additional vendor was used without obtaining proper quotes; one vendor was used without getting a formal bid; and one proposal was advertised but did not wait the required ten days for responses before opening and scoring the proposals.

Cause: The District had intended to do a bid in the current year for these supplies or go through CES but simply forgot to go through this process for these supplies.

Effect: The District may not be receiving the best available prices for their custodial supplies by not providing all firms the opportunity to bid on them. Additionally, the District is not in compliance with statute.

Auditor’s Recommendation: We recommend that the District review all potential contracts they have which may require bids be obtained. After identifying any possible services, the District should put these items out for bid in order to be in compliance with State and District policies.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2015-001 – Failure to Follow Bid Procedures (Non-Compliance) Repeated and Revised

Responsible official's view:

- Specific corrective action plan for finding:

The Chief Procurement officer will go over contracts we should be doing thru CES and make sure these are done on a PO thru CES. CPO will also look at requisitions closely, before the PO is created, as they come thru to make sure that these do not go over the amount to go out for bid.

- Timeline for completion of corrective action plan:

Implementing this in the 2016/17 fiscal year.

- Employee position(s) responsible for meeting the timeline

Chief Procurement Officer

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2016-001 – Improper Recording and Maintenance of Fixed Assets and Warehouse Inventory (Material Weakness)

Criteria: 2.20.1.8 NMAC 1978 FIXED ASSET ACCOUNTING SYSTEM:

- A. Agencies should implement systematic and well-documented methods for accounting for their fixed assets. A computerized system is recommended, with appropriate controls on access and authorization of transactions.
- B. The information to be recorded and maintained on its fixed assets, must include at a minimum the following:
 1. agency name or commonly used initials used to identify the agency;
 2. fixed asset number or fixed asset number plus component number;
 3. a description using words meaningful for identification;
 4. location, specifically a building and room number. If the asset is movable, the name and location of the fixed asset coordinator should be used;
 5. manufacturer name (NOT the vendor's name, unless vendor is the manufacturer);
 6. model number or model name;
 7. serial number, or vehicle identification number (VIN) for vehicles in agency's use & possession. If the fixed asset has no serial number, e.g., a custom-built asset, absence should be acknowledged by coding this as "none";
 8. estimated useful life or units expected to be produced;
 9. date acquired (month and year)
 10. cost (according to the valuation methods described in section 10 [now 2.20.1.10 NMAC];
 11. fund and organization that purchased the asset, or to which it was transferred.
- C. The system must be capable of generating lists of fixed assets in sequences useful for managing them. It must track all transactions including acquisitions, depreciation (if needed), betterments and dispositions. It must generate all necessary accounting entries to the agency's general ledger.

2.20.1.16 NMAC 1978 ANNUAL INVENTORY:

- A. At the end of the fiscal year, each agency shall conduct a physical inventory of its fixed assets consisting of those with a historical cost of one thousand dollars (\$1,000) or more, under the control of the governing authority.
- B. This inventory shall include all property procured through the capital projects fund which are assigned to the agency designated by the director of the property control division as the user agency.
- C. All passenger vehicles must be included in the inventory process. This includes all vehicles leased from the transportation services division of the general services department as required by the "Auditor's Rule" 2 NMAC 2.2.11.1.L [now Paragraph (8) or Subsection A of 2.2.2.12 NMAC].
- D. The inventory process shall produce a list of the property and the date and cost of acquisition. The annual physical inventory checks against losses not previously revealed and brings to light errors in records of accountability, but more importantly, a systematic physical inventory of fixed assets provides an opportunity for surveying their physical condition, with respect to their need for repairs, maintenance or replacement.
- E. The results of the physical inventory shall be recorded in a written inventory report, certified as to correctness and signed by the governing authority of the agency. In the process of conducting their fieldwork, the state auditor or independent public accountant under a contract approved by the state auditor may test the correctness of the inventory by generally accepted auditing procedures (Laws 1999, Chapter 230).

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2016-001 – Improper Recording and Maintenance of Fixed Assets and Warehouse Inventory (Material Weakness) (Continued)

2.20.1.18 NMAC 1978 DISPOSITION OF FIXED ASSETS:

- A. Sections 13-6-1 through 13-6-2 NMSA 1978, and the procurement code govern the disposition of fixed assets.
- B. For property whose fair market value is under \$5,000 and obsolete, or unusable, disposition may be made by:
 1. negotiated sale to any governmental unit of an Indian nation, tribe or pueblo in New Mexico, or by negotiated sale or donation to other state agencies, local public bodies, school districts, state educational institutions or municipalities,
 2. sale at public auction,
 3. destruction,
 4. disposal of hazardous materials in compliance with environmental regulations, and
 5. sale through solicitation of written bids through the state purchasing division.
- C. For property whose fair market value is over \$5,000, disposition may be made only through written approval by the state budget division.
- D. All dispositions must be recorded in the fixed asset inventory records. Appropriate entries must also be made in the financial accounts to reflect the disposition of the property. Gains or losses on disposal must be recorded in funds where such accounting is required.
- E. Dispositions of property whose method is found to be theft or embezzlement should be recorded in the inventory and financial accounts. Associated documentation such as police and insurance reports should be kept as part of the audit trail of the disposition.
- F.

Additionally 12-6-10 NMSA 1978 Annual inventory.

- A. The governing authority of each agency shall, at the end of each fiscal year, conduct a physical inventory of movable chattels and equipment costing more than five thousand dollars (\$5,000) and under the control of the governing authority. This inventory shall include all movable chattels and equipment procured through the capital program fund under Section 15-3B-16 NMSA 1978, which are assigned to the agency designated by the director of the property control division of the general services department as the user agency. The inventory shall list the chattels and equipment and the date and cost of acquisition. No agency shall be required to list any item costing five thousand dollars (\$5,000) or less. Upon completion, the inventory shall be certified by the governing authority as to correctness. Each agency shall maintain one copy in its files. At the time of the annual audit, the state auditor shall satisfy himself as to the correctness of the inventory by generally accepted auditing procedures.

Finally 6.20.2.16 NMAC 1978, WAREHOUSE/SUPPLY INVENTORY:

This section pertains to districts that maintain a warehouse. At fiscal year-end, each school district shall take a physical inventory of remaining goods and materials of an expendable nature (items that are consumed in the normal course of operating the district). School districts shall establish adequate internal accounting control procedures over supplies inventory in accordance with GAAP.

Condition: During our review of warehouse inventory and fixed asset detail we noted the following instances in which proper procedures were not followed:

- The District did not update its inventory unit cost. GAAP requires inventories to be recorded on a first-in first-out basis, as such the individual cost of items should reflect the current cost of the items in inventory.
- The District has not been physically verifying its fixed assets inventories in either the current year or in several previous years. The District removed over \$410,000 of vehicles from its fixed assets this year which had been traded in or sold in previous years but never removed from the fixed asset inventory.

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section II – Financial Statement Findings (Continued)

FS 2016-001 – Improper Recording and Maintenance of Fixed Assets and Warehouse Inventory (Material Weakness) (Continued)

Additionally, the District identified approximately \$760,000 from the high school construction in the 2009-2010 fiscal year that had never been capitalized. As such, depreciation expense in each of the previous years since the construction had also been under reported. Besides removing the \$410,000 of vehicles in the current year, a prior period adjustment increasing net position by \$670,259 was made to the District's financial statements for the net change in fixed asset adjustment for the year.

Cause: The District Transportation Department has not been updating the current cost on its forms for warehouse inventory. The costs of items inventoried have remained the same over a three year period.

The District does not have a good method of reporting fixed asset retirements to the Business Office. As such, the Business Office is unaware when many items are disposed of within the District. Additionally, the District did not have good procedures in place in prior year's to capture all costs during construction and ensure that those costs, rather paid by the District or the State, were properly capitalized.

Effect: Fixed assets are materially misstated in previous financial statements and not all assets have been properly recorded and tracked in the fixed asset inventory system. The District has spent significant time in the current year remedying these issues; however, some computer equipment which is totally depreciated may still be on the books though the computers may not actually exist in the district. Additionally, warehouse inventory amounts may not accurately reflect the current value of items in the Transportation Department inventory.

Auditors' Recommendation: We recommend that the District ensure compliance with the above statutes by implementing internal control processes that will safeguard and record all fixed asset inventory and ensure that the warehouse reflects the first-in first-out basis of accounting. Additionally, we stress the importance of conducting annual physical inventories of fixed assets to ensure proper asset values are presented to the Board as they bear responsibility for all assets of the District.

Responsible official's view:

- Specific corrective action plan for finding:

The Chief Procurement Officer is in the process of going through asset inventory. Inventory sheets will be sent out each year for each location to go thru and account for items. All locations are asked to do a physical inventory at the end of every year. Must have cooperation from everyone to get the process in place.

- Timeline for completion of corrective action plan:

Implementing internal control policies for warehouse/transportation supply inventory. In the process of getting inventory sheets for all locations to look thru and let CPO know what they have or do not have on the list. Will be correct at the end of 2016/17 fiscal year.

- Employee position(s) responsible for meeting the timeline

Chief Procurement Officer

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section III – Federal Award Findings

None Noted

STATE OF NEW MEXICO
TUCUMCARI PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

Schedule X

Section IV – Prior Year Audit Finding

Financial Statement Findings

FS 2010-002 [2010-02] – Budgetary Controls – Repeated and Revised
FS 2013-003 [2013-03] – Cash Disbursements – Repeated and Revised
FS 2014-001 – Improper Recording of Journal Entries – Resolved
FS 2014-002 – Payroll Documentation of I-9s – Resolved
FS 2014-003 – Background Checks and Licensing – Repeated and Revised
FS 2014-005 – Timeliness of Deposits – Repeated and Revised
FS 2014-010 – Insufficient Pledged Collateral – Resolved
FS 2015-001 – Failure to Follow Statutory Bid-RFP Procedures – Repeated and Revised
FS 2015-002 – Segregation of Duties – Resolved
FS 2015-003 – Insufficient Documentation for Mileage Reimbursement – Resolved
FS 2015-004 – Improper Purchase of High Grade Fuel – Resolved
FS 2015-005 – Cash Appropriations in Excess of Available Cash Balances – Resolved

Federal Awards Findings

FA 2014-002 – Improper Recording of Goods and Services – Resolved

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

Auditor Prepared Financial Statements

Manning Accounting and Consulting Services, LLC prepared the GAAP-basis financial statements and footnotes of Tucumcari Public Schools from the original books and records provided to them by the management of the District. The District's management has reviewed and approved the financial statements and related notes and they believe that their records adequately support the financial statements. The responsibility for the financial statements remains with the District.

Exit Conference

The contents of this report were discussed on October 17, 2016. The following individuals were in attendance.

Tucumcari Public Schools

David Johnson – Assistant Superintendent
Leif Gray – Board Member
Leola Patterson – Business Manager
Lorinda Martinez – Business Support
Susan Lease – Community Parent Member
Teresa Barraras – Community Finance Member

Manning Accounting and Consulting Services, LLC

Byron R. Manning, CPA