

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS**

**AUDITED FINANCIAL STATEMENTS AND  
ANNUAL FINANCIAL REPORT  
WITH INDEPENDENT AUDITORS'  
REPORT THEREON  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS**

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS**

**OFFICIAL ROSTER**

**JUNE 30, 2016**

Board of Education

Benito Armijo..... Chairman  
Tony Rubin..... Vice Chairman  
Eldie Cruz ..... Secretary/Treasurer  
Debbie Coca ..... Member  
Andy Martinez ..... Member

School Officials

Sheryl McNellis-Martinez ..... Superintendent  
Teresa P. Casias ..... Business Manager



## Independent Auditors' Report

Honorable Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico  
and  
The Board of Education  
Wagon Mound Public Schools  
Wagon Mound, New Mexico

### Report on Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund and the aggregate remaining fund information of the District as of June 30, 2016, and the respective changes in financial position and respective budgetary comparisons for the general fund 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 each nonmajor governmental fund and fiduciary fund of the District as of June 30, 2016, and the respective changes in financial position thereof and the respective budgetary comparisons for the capital project funds, debt service funds, and all nonmajor funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

Required Supplementary Information:

The District has omitted 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the *Schedule of the Wagon Mound School's Proportionate Share of the Net Pension Liability* on page 50, the *Schedule of the Wagon Mound School's Contributions* on page 51 and the notes to the required supplementary information on page 52 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 and historical context. We have applied certain limited procedures to the Schedule of the District's Proportionate Share of the Net Pension Liability in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements. And other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with 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 other schedules required by Section 2.2.2 NMAC are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The Vendor Schedule required by 2.2.2.10(A)(2)(g) NMAC has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 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.

*Kubiak Melton & Associates, LLC*

Kubiak Melton & Associates, LLC  
Auditors – Business Consultants – CPAs

Albuquerque, New Mexico  
October 21, 2016



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 295,820
Receivables	110,719
Inventory	2,294
<b>Total Current Assets</b>	<b>408,833</b>
Noncurrent Assets	
Capital Assets:	
Land	189,300
Capital Assets Being Depreciated	11,784,628
Less: Accumulated Depreciation	(6,896,685)
<b>Total Noncurrent Assets</b>	<b>5,077,243</b>
<b>Deferred Outflows:</b>	
Deferred Outflows, Pension Related	525,223
<b>Total Deferred Outflows</b>	<b>525,223</b>
<b>Total Assets and Deferred Outflows</b>	<b>\$ 6,011,299</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 4,792
Accrued Liabilities	153,651
Accrued Compensated Absences	8,756
Current Portion of Long-Term Debt	70,000
<b>Total Current Liabilities</b>	<b>237,199</b>
<b>Noncurrent Liabilities:</b>	
Bond Due in More than One Year	950,000
Net Pension Liability	2,805,304
<b>Total Noncurrent Liabilities</b>	<b>3,755,304</b>
<b>Total Liabilities</b>	<b>3,992,503</b>
<b>Deferred Inflows:</b>	
Deferred Inflows, Pension Related	276,352
<b>Total Deferred Inflows</b>	<b>276,352</b>
<b>Total Liabilities and Deferred Inflows</b>	<b>4,268,855</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	4,057,243
Restricted for:	
Special Revenue	49,253
Capital Projects	77,947
Debt Service	24,453
Unrestricted	(2,466,452)
<b>Total Net Position</b>	<b>1,742,444</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>\$ 6,011,299</b>

See Independent Auditors' Report and Notes to Financial Statements

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

<u>Functions and Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expenses)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Revenues and</u>
		<u>Services</u>	<u>Grants and</u>	<u>and Changes</u>
			<u>Contributions</u>	<u>in Net Assets</u>
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities	\$ 2,423,527	\$ -	\$ 171,924	\$ (2,251,603)
Support Services	389,004	-	2,095	(386,909)
Food Services Operation	50,059	-	-	(50,059)
Operation and Maintenance - Plant	13,229	-	-	(13,229)
Bond Interest Expense	37,193	-	-	(37,193)
Compensated Absences Expense	3,957	-	-	(3,957)
Pension Expense	55,717	-	-	(55,717)
<b>Total Governmental Activities</b>	<u>\$ 2,972,686</u>	<u>\$ -</u>	<u>\$ 174,019</u>	<u>\$ (2,798,667)</u>
<b>General Revenues:</b>				
Property Taxes:				
General Purpose				13,135
Capital Projects				58,185
Debt Service				97,381
State Equalization Guarantee Revenue				<u>2,043,898</u>
<b>Total General Revenues</b>				<u>2,212,599</u>
Change in Net Position				(586,068)
Beginning Net Position				2,585,357
Restatement				<u>(256,845)</u>
Beginning Net Position as restated, June 30, 2015				<u>2,328,512</u>
<b>Ending Net Position</b>				<u>\$ 1,742,444</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
BALANCE SHEET – GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2016**

	<u>Operational</u>	<u>Pupil Transportation</u>	<u>Instructional Materials</u>	<u>Title I IASA</u>
<b>ASSETS</b>				
Cash and Temporary Investments	\$ 223,293	\$ 21,161	\$ 6,563	\$ -
Receivables:				
Property Taxes	1,870	-	-	48,060
Due From Other Governments	576	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<u>\$ 225,739</u>	<u>\$ 21,161</u>	<u>\$ 6,563</u>	<u>\$ 48,060</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Cash Overdraft	\$ -	\$ -	\$ -	\$ 40,087
Accounts Payable	2,229	-	-	-
Accrued Liabilities	124,773	10,181	-	8,115
Other Liabilities	-	-	-	-
<b>Total Liabilities</b>	<u>127,002</u>	<u>10,181</u>	<u>-</u>	<u>48,202</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Pupil Transportation	-	10,980	-	-
Instructional Materials	-	-	6,563	-
Special Revenue	-	-	-	(142)
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Unassigned	98,737	-	-	-
<b>Total Fund Balances</b>	<u>98,737</u>	<u>10,980</u>	<u>6,563</u>	<u>(142)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 225,739</u>	<u>\$ 21,161</u>	<u>\$ 6,563</u>	<u>\$ 48,060</u>

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
BALANCE SHEET – GOVERNMENTAL FUNDS (continued)  
AS OF JUNE 30, 2016**

	Entitlement IDEA-B	Educational Technology Equipment Act	Other Governmental Funds	Total Primary Government
<b>ASSETS</b>				
Cash and Temporary Investments	\$ -	\$ -	\$ 257,373	\$ 508,390
Receivables:				
Property Taxes	13,287	-	39,944	103,161
Due From Other Governments	-	-	6,982	7,558
Inventory	-	-	2,294	2,294
<b>Total Assets</b>	<u>\$ 13,287</u>	<u>\$ -</u>	<u>\$ 306,593</u>	<u>\$ 621,403</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Cash Overdraft	\$ 20,779	\$ 109,432	\$ 42,272	\$ 212,570
Accounts Payable	628	-	1,935	4,792
Accrued Liabilities	1,309	-	9,273	153,651
Other Liabilities	-	-	-	-
<b>Total Liabilities</b>	<u>22,716</u>	<u>109,432</u>	<u>53,480</u>	<u>371,013</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Pupil Transportation	-	-	-	10,980
Instructional Materials	-	-	-	6,563
Special Revenue	(9,429)	-	41,281	31,710
Capital Projects	-	(109,432)	187,379	77,947
Debt Service	-	-	24,453	24,453
Unassigned	-	-	-	98,737
<b>Total Fund Balances</b>	<u>(9,429)</u>	<u>(109,432)</u>	<u>253,113</u>	<u>250,390</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 13,287</u>	<u>\$ -</u>	<u>\$ 306,593</u>	<u>\$ 621,403</u>

See Independent Auditors' Report and Notes to Financial Statements

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

	<b>Governmental Funds</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Fund Balance - Total Governmental Funds	\$ 250,390
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds, (net):	5,077,243
Defined benefit pension plan deferred outflows are not financial resources and, therefore, are not reported in the funds	525,223
Defined benefit pension plan deferred inflows are not financial resources and, therefore, are not reported in the funds	(276,352)
Long-Term Liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:	
Bonds Payable	(1,020,000)
Net Pension Liability	(2,805,304)
Compensated Absences	(8,756)
<b>Net Position per Statement of Net Position</b>	<b><u>\$ 1,742,444</u></b>

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

	<u>Operational</u>	<u>Pupil Transportation</u>	<u>Instructional Materials</u>	<u>Title I IASA</u>
<b>REVENUES:</b>				
Taxes	\$ 13,135	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	135	-	-	-
State Sources	1,813,045	102,604	4,119	-
Federal Sources	-	-	-	97,524
Earnings from Investments	-	-	-	-
Other	3,215	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>1,829,530</u>	<u>102,604</u>	<u>4,119</u>	<u>97,524</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	1,837,248	111,480	825	-
Instructional Support	-	-	-	97,722
Food Services	-	-	-	-
Other	-	1,755	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>1,837,248</u>	<u>113,235</u>	<u>825</u>	<u>97,722</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(7,718)</u>	<u>(10,631)</u>	<u>3,294</u>	<u>(198)</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(7,718)	(10,631)	3,294	(198)
<b>Fund Balance at Beginning of Year</b>	<u>106,455</u>	<u>21,611</u>	<u>3,269</u>	<u>56</u>
<b>Fund Balance at End of Year</b>	<u>\$ 98,737</u>	<u>\$ 10,980</u>	<u>\$ 6,563</u>	<u>\$ (142)</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES  
GOVERNMENTAL FUNDS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Entitlement IDEA-B	Educational Technology Equipment Act	Other Governmental Funds	Total Primary Government
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 155,566	\$ 168,701
Charges for Services	-	-	-	-
Local Sources	-	-	1,960	2,095
State Sources	-	-	124,130	2,043,898
Federal Sources	32,665	-	29,613	159,802
Earnings from Investments	-	-	-	-
Other	-	-	-	3,215
Donations	-	-	8,907	8,907
<b>Total Revenues</b>	<u>32,665</u>	<u>-</u>	<u>320,176</u>	<u>2,386,618</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	1,602	1,951,155
Instructional Support	33,293	109,432	127,889	368,336
Food Services	-	-	41,674	41,674
Other	-	-	17,631	19,386
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	60,000	60,000
Bond Interest	-	-	37,193	37,193
<b>TOTAL EXPENDITURES</b>	<u>33,293</u>	<u>109,432</u>	<u>285,989</u>	<u>2,477,744</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(628)</u>	<u>(109,432)</u>	<u>34,187</u>	<u>(91,126)</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(628)	(109,432)	34,187	(91,126)
<b>Fund Balance at Beginning of Year</b>	<u>(8,801)</u>	<u>-</u>	<u>218,926</u>	<u>341,516</u>
<b>Fund Balance at End of Year</b>	<u>\$ (9,429)</u>	<u>\$ (109,432)</u>	<u>\$ 253,113</u>	<u>\$ 250,390</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Governmental Funds</b>
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
Net Change in Fund Balance - Total Governmental Funds	\$ (91,126)
<p>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:</p>	
Depreciation Expense	(495,268)
Pension Expense	(55,717)
<p>The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. In addition, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Also, governmental funds report issuance of capital lease obligations as other financing sources while it is not accounted for in the statement of activities:</p>	
Change in Compensated Absences	(3,957)
Principal Payments on Bonds	60,000
<b>Change in Net Position - Total Governmental Activities</b>	<b>\$ (586,068)</b>



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
OPERATIONAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>				
Taxes	\$ 12,189	\$ 12,189	\$ 13,135	\$ 946
Charges for Services	-	-	-	-
Local Sources	2,650	2,650	135	(2,515)
State Sources	1,834,719	1,834,719	1,813,045	(21,674)
Federal Sources	7,000	7,000	-	(7,000)
Earnings from Investments	-	-	-	-
Other	3,200	3,200	3,215	15
Donations	200	200	-	(200)
<b>Total Revenues</b>	<u>1,859,958</u>	<u>1,859,958</u>	<u>1,829,530</u>	<u>(30,428)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	1,949,494	1,966,413	1,837,248	129,165
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>1,949,494</u>	<u>1,966,413</u>	<u>1,837,248</u>	<u>129,165</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(89,536)</u>	<u>(106,455)</u>	<u>(7,718)</u>	<u>98,737</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(89,536)	(106,455)	(7,718)	98,737
Fund Balance at Beginning of Year	-	-	10,454	10,454
<b>Fund Balance at End of Year</b>	<u>\$ (89,536)</u>	<u>\$ (106,455)</u>	<u>\$ 2,736</u>	<u>\$ 109,191</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
PUPIL TRANSPORTATION FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	114,900	114,900	112,887	(2,013)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>114,900</u>	<u>114,900</u>	<u>112,887</u>	<u>(2,013)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	114,900	124,473	111,480	12,993
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	1,755	1,755	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>114,900</u>	<u>126,228</u>	<u>113,235</u>	<u>12,993</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>-</u>	<u>(11,328)</u>	<u>(348)</u>	<u>10,980</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(11,328)	(348)	10,980
Fund Balance at Beginning of Year	-	-	10,454	10,454
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ (11,328)</u>	<u>\$ 10,106</u>	<u>\$ 21,434</u>

See Independent Auditors' Report and Notes to Financial Statements

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

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	3,606	3,606	4,120	514
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>3,606</u>	<u>3,606</u>	<u>4,120</u>	<u>514</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	3,606	6,875	825	6,050
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>3,606</u>	<u>6,875</u>	<u>825</u>	<u>6,050</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>-</u>	<u>(3,269)</u>	<u>3,295</u>	<u>6,564</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(3,269)	3,295	6,564
Fund Balance at Beginning of Year	-	-	10,454	10,454
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ (3,269)</u>	<u>\$ 13,749</u>	<u>\$ 17,018</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
TITLE I IASA FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	110,028	99,094	86,509	(12,585)
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>110,028</u>	<u>99,094</u>	<u>86,509</u>	<u>(12,585)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	110,028	99,094	97,722	1,372
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>110,028</u>	<u>99,094</u>	<u>97,722</u>	<u>1,372</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>-</u>	<u>-</u>	<u>(11,213)</u>	<u>(11,213)</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(11,213)	(11,213)
Fund Balance at Beginning of Year	-	-	10,454	10,454
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (759)</u>	<u>\$ (759)</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
ENTITLEMENT IDEA-B  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
– BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	42,668	59,106	54,925	(4,181)
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>42,668</u>	<u>59,106</u>	<u>54,925</u>	<u>(4,181)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	42,668	59,106	32,665	26,441
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>42,668</u>	<u>59,106</u>	<u>32,665</u>	<u>26,441</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>22,260</u>	<u>22,260</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	22,260	22,260
Fund Balance at Beginning of Year	-	-	10,454	10,454
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,714</u>	<u>\$ 32,714</u>

See Independent Auditors' Report and Notes to Financial Statements

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
JUNE 30, 2016**

	<b>Private Purpose Trust Fund</b>	<b>Agency Fund</b>	<b>Total - Fiduciary Funds</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 9,720	\$ 34,205	\$ 43,925
Unrestricted Investments	<u>37,052</u>	<u>-</u>	<u>37,052</u>
<b>Total Assets</b>	<u>\$ 46,772</u>	<u>\$ 34,205</u>	<u>\$ 80,977</u>
<b>Liabilities</b>			
Due to Student Groups	<u>\$ -</u>	<u>\$ 34,205</u>	<u>\$ 34,205</u>
<b>Total Liabilities</b>	<u>-</u>	<u>34,205</u>	<u>34,205</u>
<b>Net Position</b>			
Held in Trust for School Library	<u>46,772</u>	<u>-</u>	<u>46,772</u>
<b>Total Net Position</b>	<u>46,772</u>	<u>-</u>	<u>46,772</u>
<b>Total Liabilities and Net Position</b>	<u>\$ 46,772</u>	<u>\$ 34,205</u>	<u>\$ 80,977</u>

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Wagon Mound Public School District (District) has been in existence since the early 1900s and is currently operating under the provision of the Public School Code, Chapter 22 of the New Mexico Statutes Annotated, 1978 and is governed by a five member Board (Board) each elected for four year terms by registered voters of the District.

The District's financial statements 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 and financial reporting principles. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of the District's accounting policies are described below.

**A. Reporting Entity**

GASB Statement No. 61 and the amendment of GASB Statement No. 14 established criteria for determining the government reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the District is considered a primary government since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement No. 61, fiscally independent means that the District may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The District also has no component units, as defined by GASB as there are no other legally separate organizations for which the elected School Board members are financially accountable.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally 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 charges to customers or applicants who purchase, use, or benefit directly from goods, services or privileges provided by a given function or segment, and 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.

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WAGON MOUND PUBLIC SCHOOLS  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**C. Measurement Focus and Basis of Accounting**

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 has been incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues, net of estimated refunds and estimated uncollectible amounts, in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when the related liability is incurred, the same 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 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 requirement 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 District.

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 grants 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.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
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FOR THE YEAR ENDED JUNE 30, 2016**

type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private sector guidance.

Program revenues are categorized as (a) charges for services, which include revenues collected for cafeteria fees and lost books, etc., (b) program-specific operating grants, which include revenues received from state and federal sources such as Title I, IDEA-B, Charter Schools and Magnet School funding to be used as specified within each program grant agreement, and (c) program-specific capital grants and contributions, which include revenues from state sources such as SB-9 and HB-33 funding to be used for capital projects. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expenses of each function, except for that portion of depreciation that is identified as unallocated on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**D. Basis of Presentation**

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

**Governmental Funds**

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

General Fund

The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for another fund.

Special Revenue Funds

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

Capital Projects Funds

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  
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FOR THE YEAR ENDED JUNE 30, 2016**

Debt Service Funds

The Debt Service Fund accounts for the services of long-term debt not being financed by proprietary or non-expendable trust funds.

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

**General Fund**

General Fund (11000) – The primary operating fund of the District accounts for all financial resources except those required to be account for in other funds. Per GASB, the General Fund is always considered a major fund.

The Pupil Transportation Fund (13000) – used to account for the State Equalization received from the NM Public Education Department (PED), which is used to pay for the costs associated with transporting school-age children. This is considered by PED to be a sub-fund of the General Fund.

Instructional Materials Fund (14000) – used to account for the monies received from PED 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.

**Special Revenue Funds**

Title I IASA Fund (24101) – provides supplemental educational opportunities for academically disadvantaged children residing in the area. Campuses are identified for program participation by the percentage of students on free or reduced price lunch plans. 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 criterion that identifies a campus; educational need determines the students to be served. Federal revenues accounted for in this fund are allocated to the District through the PED. Authority for creation of this fund is Part A of the Chapter I of Title I of Elementary and Secondary Education Act (ESEA) of 1965, as amended, Public Law 103-383.

Entitlement IDEA-B (24106)

The Entitlement IDEA-B program is to provide grants to states that flow through to schools, to assist them in providing a free appropriate public education to all children with disabilities. The program is funded by the United States government, under the Individuals with Disabilities Education Act, Part B, Section 611-617, and part D, Section 619, as amended, 20 U.S.C. 1711-1417 and 1420.

**STATE OF NEW MEXICO  
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**Capital Projects Fund**

Educational Technology Equipment Act (31900)

To account for purchases of computer equipment and computer software. The authority for the creation of this fund is the Federal Property and Administrative Services Act of 1949, Ch. 288, 63 Stat 377, and the National Defense Authorization Act for the Fiscal Year 1996, Public Law 104-106.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**Governmental Funds with Deficit Balances**

The following funds had deficit fund balances at June 30, 2016: Title I IASA: \$142; Entitlement IDEA-B: \$9,429; Ed. Tech: \$109,432; Fresh Fruits in Classroom: \$1,791; Teacher Principal Recruiting: \$132; NM Reads to Lead: \$10,081; NM Pre-K Initiative: \$321.

**Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the District's programs. The reporting focus is upon net position and changes in net position and employs accounting principles similar to proprietary funds. The fiduciary fund consists of the following two funds:

The Private Purpose Trust Fund – accounts for assets held by the District as an agent for the Wagon Mound Public Library Board of Directors. The intent of the donors was that principal and income of stock donated to the District could only be used for the School library.

The Agency Funds – accounts for resources held by the District in a purely custodial capacity (assets equal liabilities). Agency funds typically involve the receipt, temporary investment, and remittance of fiduciary resources to student activity groups.

GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions effective for reporting periods beginning after June 15, 2010. The statement establishes fund balance classifications, provides for a hierarchy or spending constraints for spendable resources and requires disclosures of nonspendable and spendable resources.

**E. Assets, Liabilities, Deferred Outflows / Inflows of Resources and Net Position / Fund Balance**

1. Deposits and 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 investment of the District's funds in a wide variety of instruments, including certificates of deposit and other similar obligations, state investment pool and money

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market accounts. The District is also allowed to invest in United States Government obligations. All funds of the District must follow these investment guidelines.

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

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 100% 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.

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.

2. Receivables and Payables

Activity between funds that are representative of lending / borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to / from other funds" (i.e., the current portion of interfund loans) or "advances to / from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to / from other funds".

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

The District receives monthly income from a tax levy in Mora County. The funds are collected by the County Treasurer and are remitted to the School District the following month. Under the modified accrual method of accounting, the amount remitted by the Mora 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 and other funds are operated on a cash advance method of funding. The funds incur the cost and then submit the necessary request for reimbursement or advance, respectively.

3. 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.

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4. Instructional Materials

PED receives federal material leasing funds from which it makes annual allocations to various schools districts for the purchase of educational materials. Of each allocation, fifty percent is restricted to the requisition of material listed in the PED "State Adopted Instructional Manual" list, while the other fifty percent of each allocation is available for purchases directly from vendors, for which the school district receives cash drawdowns or transfers to the other fifty percent account for requisitions of materials from the adopted list.

5. Inventories

Inventory is valued at lower of cost (first in, first out) or market. Inventory in the Special Revenue Funds consists of USDA commodities and other purchased food and non-food supplies. The cost of purchased food is recorded as expenditures at the time individual inventory items are consumed. The USDA commodities are recorded at year-end by audit adjusting entries. Commodities consumed during the year are reported as revenues and expenditures; unused commodities are reported as inventories and deferred revenues. Non-commodity inventories are equally offset by a fund balance reserve, which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

6. Capital Assets

Capital assets, which include property, plant and equipment (including computer software), 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 and estimated historical cost if purchased or constructed. Pursuant to the implementation of GASB Statement No. 34, the historical cost of infrastructure assets (retroactive to 1979) are to be included as part of the governmental capital assets reported in the government-wide statements. Information technology equipment, including software, is being capitalized and included in furniture and equipment as the District did not maintain internally developed software. Library books are also being capitalized and depreciated. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's useful life are not capitalized. No interest was included as part of the cost of capital assets under construction during the year ended June 30, 2016.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest on construction projects has not been capitalized.

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

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<u>Assets</u>	<u>Years</u>
Buildings	40 - 50
Building Improvements	20
Land Improvements	10 - 20
Vehicles	5 - 7
Office Equipment	5
Computer Equipment	3 - 5

7. Compensated Absences

All personnel employed by the District are entitled to leave as per the following categories and schedules.

Annual leave – Twelve month employees are entitled to annual leave with full pay computed as follows:

- 1 – 4 consecutive years of employment: 10 days
- 5 – 19 consecutive years of employment: 15 days
- 20 plus consecutive years of employment: 20 days

Twelve month employees who have resigned, retired or who have been laid off or dismissed are entitled to and shall be paid for a maximum of 20 days of earned and unused annual leave.

The District's recognition and measurement criteria for compensated absences follow GASB Statement No. 16, which provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by employees if the employees right to receive compensation is attributable to services already rendered and it is probable that the employer will compensate the employee for the benefits at termination or retirement.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account Compensated Absences Payable in the fund from which the employees who have accumulated unpaid leave are paid. In prior years, substantially all of the related expenditures have been liquidated by the general fund. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the government-wide Statement of Net Position.

8. 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. Amounts receivable from the property taxes levied for the current year that are not considered to be "available" under the current financial resources measurement focus are reported as

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unearned revenues in the governmental fund financial statements. For the fiscal year ended June 30, 2016, there was no unearned revenue.

9. Deferred Outflows / Inflows of Resources

GASB 63 amended previous guidance on deferred revenue in the government-wide and fund level financial statements to include deferred outflows, which is the consumption of net position by the government which is applicable to a future reporting period and deferred inflow of resources, which is the acquisition of net position by the government which is applicable to a future reporting period. See Note 12 for a description of deferred outflows and inflows or resources for the year ended June 30, 2016.

10. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

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

11. Fund Balance and Net Position

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

Net Investment in Capital Assets: This component 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: Net position is reported as restricted when constraints placed on net position use either (1) externally imposed by creditors, grantors, contributions or laws or regulations of other governments or (2) imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position: Net position which does not meet the definition of "restricted" and "net investment in capital assets".

In the fund financial statements, governmental funds report aggregate amounts for several classifications of fund balances based on the constraints imposed on the use of these resources. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form (prepaid items, inventories) or legally contractually required to be maintained intact. The District has inventories that are considered

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nonspendable. The District will maintain a fund balance equal to the value of inventory balances and prepaid items (to the extent that such balances are not offset by liabilities and actually result in fund balance. The District does not have any prepaid items or nonspendable funds related to endowments.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

Nonspendable fund balances includes amount that are not in spendable form or are legally or contractually required to be maintained intact. This criterion includes items that are not expected to be converted to cash such as inventories, prepaid items and long-term notes receivable.

Restricted fund balances are constrained by external parties, constitutional provisions or enabling legislation.

Committed fund balances contain self-imposed constraints of the government from its highest level of decision making authority or the Board of Education. Commitments will only be used for specific purposes pursuant to a formal action by the Board of Education.

Assigned fund balances contain self-imposed constraints of the government to be used for a particular purpose.

Unassigned fund balances of the general fund are not constrained for any particular purpose.

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then restricted resources – committed, assigned, and unassigned in that order.

Nonspendable refers to inventories totaling \$2,294 that are classified as nonspendable.

Spendable refers to the Districts spendable fund balances as restricted, assigned and unassigned and considers each to have been spent when expenditures are incurred. The District currently has no funds classified as committed.

Restricted for grant activates, food services, instructional materials, debt service, capital projects and pupil transportation means that federal and state statutes require that certain revenues be specifically designed for the purposes of federal and state grant activities, food services, debt service and capital projects. The funds have been included in restricted category of fund balance.

## 12. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund from expenditures/expenses initially



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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.

**13. Indirect Costs**

The District's general fund receives indirect cost reimbursements from the various federal programs it administers. These reimbursements are for expenses incurred in performing administrative functions on behalf of the special revenue funds. They are shown as expenditures in the special revenue funds and as other special federal revenue in the general fund.

**14. 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 financial statements include management's estimate of the useful lives of capital assets.

**15. Revenues**

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

A school district's program costs are determined through the use of various formulas using 'program units' which take into consideration early childhood education, basic education, special education, bilingual multicultural education, size, etc. Payment is made from the public school fund under the authority of the Director of Public School Finance. The District received \$1,420,801 in state equalization guarantee during the year ended June 30, 2016.

**Tax Revenues:** The District receives mill levy and ad valorem tax revenues primarily for debt service and capital outlay purposes. Tax revenues are recognized when they are in the hands of the collecting agency. The District records only the portion of the taxes considered to be measurable and available. The District recognized \$161,143 in tax revenues during the year ended June 30, 2016. Descriptions of the individual debt service and capital outlay funds found in these financial statements include information regarding the authority for the collection and use of these taxes.

Mora County levies and collects the property taxes on real property for Wagon Mound Public Schools on November 10 and April 10 of each year. Taxes become delinquent by December 10

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and May 10, respectively and liens are filed by Mora County on property that is delinquent for three years. Property taxes collected and held by the county at year-end on behalf of the District are included in an account called Due From Other Governments.

**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 \$102,604 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 the other fifty percent of each allocation is available for purchases directly from vendors. Allocations received from the PED for the year ended June 30, 2016 totaled \$4,119.

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

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

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

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

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

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

**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 did not receive any instate SB-9 matching during the year ended June 30, 2016.

**Federal Grants:** The District receives revenues from various Federal departments (both direct and indirect), which are legally restricted to expenditures for specific purposes. These programs are reported in the Special Revenue funds. Each program operates under its own budget, which has been approved by the Federal Department or the flow-through agency (usually PED). The various budgets are approved by the Local School Board and the PED.

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.

**F. 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 and Public School Budget and Planning Unit of the Department of Education. Auxiliary student activity accounts are not budgeted.

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 beginning cash balance be appropriated in the budget of the subsequent fiscal year. Such appropriated balance is legally restricted and is therefore presented as a reserved portion of fund balance.

Actual expenditures may not exceed the budget on a line item basis, i.e., each budgeted expenditure must be within budgeted amounts. 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 approval. If a transfer between series or a budget increase is required, approval must also be obtained from the Public School Finance Division.

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

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

1. In April or May, the superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July. The operating budget includes proposed expenditures and the means of financing them, and has approval by the Department of Education.
2. In May or June, the budget is approved by the Board of Education.
3. The school board meeting, while not intended for the general public, is open for the general public unless a closed meeting is 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. The District shall make corrections, revisions and amendments to the estimated budgets fixed by the local school board and the PED.
5. The superintendent is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the school board and the New Mexico Public Education Department.
6. Budget change requests are processed in accordance with Supplement I (Budget Preparation and Maintenance) of the Manual of Procedures Public School Accounting and Budgeting. Such changes are initiated by the school district and approved by the DBPU.
7. Legal budget control for expenditures is by function.
8. Appropriations lapse at fiscal year-end. Funds unused during the fiscal year may be carried over into the next fiscal year by budgeting them in the subsequent fiscal year's budget. The budget of the District has been amended during the current fiscal year in accordance with these procedures. The budget schedules included in the accompanying financial statements reflect the approved budget and amendments thereto.
9. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenues funds, debt service funds and capital projects funds.
10. Budgets for the general, special revenue, debt service and capital projects funds are adopted on a basis not consistent with GAAP. Encumbrances are treated the same way for GAAP purposes and for budget purposes.

The Board may approve amendments to the appropriated budget, which are required when a change is made affecting budgeted ending fund balances. New Mexico State Law prohibits a governmental agency from exceeding an individual line item.

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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 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.

**2. Cash and Temporary Investments**

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.

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

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

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

The 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. Additionally, all deposits in non-interest bearing transaction accounts (such as non-interest bearing checking accounts) at participating institutions are fully guaranteed, regardless of dollar amount.

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

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. 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.

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The stated listed below will meet the State of New Mexico Office of the State Auditor's requirement in reporting the uninsured portion of the deposits. As of June 30, 2016, none of the Districts' bank balance of \$490,110 was exposed to custodial risk as follows:

	<b>Wells Fargo Bank</b>
Total Amount of Deposits	\$ 490,110
Less: FDIC Coverage	<u>(250,000)</u>
<b>Total Uninsured Public Funds</b>	<b>\$ 240,110</b>
Pledged Collateral Held by Pledging Bank's Trust or Agent but not in District's Name	<u>175,800</u>
Uninsured and Uncollateralized	64,310
Collateral requirement (50% of uninsured public funds)	120,055
Pledged Securities	<u>175,800</u>
<b>Total (Over) Under Collateralized</b>	<b><u>\$ (55,745)</u></b>

The collateral pledged is listed on page 98 of this report. The types of collateral allowed are limited to direct obligations of the United States Government and all bonds issued by any agency, district or political subdivision of the State of New Mexico.

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities Less Than One Year</u>
Common Stock	\$ 37,052	\$ 37,052

**Reconciliation of Cash and Temporary Investments**

Governmental Funds - Balance Sheet:	
Cash and Cash Equivalents	\$ 508,390
Cash Overdraft	(212,570)
Common Stock - Fiduciary Fund	37,052
Cash - Statement of Fiduciary Net Assets	<u>43,925</u>
Total Cash	376,797
Less: Common Stock	<u>(37,052)</u>
<b>Reconciled Balance of Deposits</b>	<b><u>\$ 339,745</u></b>

According to the Federal Deposit Insurance Authority, public unit deposits are funds owned by the schools. 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.

**3. Receivables**

Receivables as of June 30, 2016 are as follows:

<b>Receivables:</b>	<b><u>Non-Major Funds</u></b>
Due From Other Governments	7,558
Property Tax	<u>103,161</u>
<b>Total Receivables</b>	<b><u>\$ 110,719</u></b>

The above receivables are deemed 100% collectible. In accordance with the GASB statement No. 33, property tax receivables should be presented net of deferred revenues on the governmental fund financial statements. However, we were unable to obtain the delinquent property tax listing from the District.

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**4. Interfund Receivables, Payable and Transfers**

Interfund balances have been primarily recorded when funds overdraw their share of pooled cash when the District is waiting for grant reimbursements. There were no interfund receivables or payables at June 30, 2016.

**5. Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

<b>Governmental Activities</b>	<b>June 30, 2015</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>June 30, 2016</b>
<b>Capital assets not being depreciated:</b>					
Land	\$ 189,300	\$ -	\$ -	\$ -	\$ 189,300
Construction in Progress	-	-	-	-	-
<b>Total Capital Assets not being depreciated</b>	<b>189,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>189,300</b>
<b>Capital assets being depreciated:</b>					
Land Improvements	729,572	-	-	-	729,572
Buildings and Improvements	10,232,858	-	-	68,418	10,301,276
Equipment and Vehicles	827,682	-	5,484	(68,418)	753,780
<b>Total Capital Assets being depreciated</b>	<b>11,790,112</b>	<b>-</b>	<b>5,484</b>	<b>-</b>	<b>11,784,628</b>
<b>Less: Accumulated Depreciation for:</b>					
Land Improvements	552,702	17,459	-	-	570,161
Buildings and Improvements	5,273,318	435,496	-	11,487	5,720,301
Furniture, Fixtures and Equipment	580,881	42,313	5,484	(11,487)	606,223
<b>Total Accumulated Depreciation</b>	<b>6,406,901</b>	<b>495,268</b>	<b>5,484</b>	<b>-</b>	<b>6,896,685</b>
Total Capital Assets being Depreciated, Net	5,383,211	(495,268)	-	-	4,887,943
<b>Capital Assets, Net</b>	<b>\$ 5,572,511</b>	<b>\$ (495,268)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,077,243</b>

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

<b><u>Allocated Depreciation Expense:</u></b>	<b><u>Amount</u></b>
Instruction	\$ 13,748
Support Services - General Administration	1,282
Operation and Maintenance of Plant	13,229
Food Services	8,385
Athletics	22,054
Transportation	-
Other Capital Outlay	436,570
<b>Total</b>	<b>\$ 495,268</b>



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**6. Long-Term Debt**

During the year ended June 30, 2016, the following changes occurred in liabilities reported in the general obligation bonds account group:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
Bonds Payable	\$ 1,080,000	\$ -	\$ 60,000	\$ 1,020,000	\$ 70,000
Compensated Absences	<u>4,799</u>	<u>11,342</u>	<u>7,385</u>	<u>8,756</u>	<u>8,756</u>
<b>Total</b>	<u>\$ 1,084,799</u>	<u>\$ 11,342</u>	<u>\$ 67,385</u>	<u>\$ 1,028,756</u>	<u>\$ 78,756</u>

	<u>Balance June 30, 2016</u>
Bonds Payable	\$ 1,020,000
Less: Current Maturities	<u>(70,000)</u>
<b>Total Non-Current Liabilities</b>	<u>\$ 950,000</u>

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. Bonds are direct obligations and pledge the full faith and credit of the District. The bonds will be paid from taxes levied against property owners living within the District boundaries. The details of the bonds and notes as of June 30, 2016 are as follows:

<u>General Obligation Bonds</u>	<u>June 30, 2015</u>	<u>Interest Rates</u>	<u>June 30, 2016</u>	<u>Within One Year</u>
Series 2011	\$ 600,000	3.50% to 3.85%	\$ 550,000	\$ 60,000
Series 2012	<u>480,000</u>	2.90% to 3.50%	<u>470,000</u>	<u>10,000</u>
<b>Total</b>	<u>\$ 1,080,000</u>		<u>\$ 1,020,000</u>	<u>\$ 70,000</u>

Balances shown for bonds and notes do not include unamortized premiums or deferred amounts on refinancing.

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Annual debt service requirements to maturity for general obligation bonds are as follows:

<b>General Obligation Bonds</b>			
<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Requirements</b>
2017	\$ 70,000	\$ 35,063	\$ 105,063
2018	70,000	32,513	102,513
2019	80,000	29,973	109,973
2020	90,000	27,113	117,113
2021	95,000	23,833	118,833
2022-2026	490,000	65,005	555,005
2027-2028	125,000	5,250	130,250
<b>Total</b>	<b>\$ 1,020,000</b>	<b>\$ 218,750</b>	<b>\$ 1,238,750</b>

The liability of compensated absences is liquidated with resources from the general fund and several special revenue funds. The liquidation of bonds payable is done with resources from the debt service funds.

**7. Risk Management**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. The New Mexico Public Schools Insurance Authority (NMSIA) was formed on April 5, 1985 under the New Mexico Public Schools Insurance Authority Act, Chapter 22, Section 2 of the New Mexico Statutes Annotated (NMSA 1978), as amended, as an insurance fund to provide health, disability, and life insurance coverage (benefits coverage), and property, casualty and workers' compensation insurance coverage (risk coverage) to participating public schools, school board members, public school employees, and retirees within the State of New Mexico. The District is one of 91 members that participate in NMPSIA. Participation in NMPSIA is mandatory for all K-12 public schools except those with enrollment exceeding 60,000 students. Participation is voluntary for other public education institutions. The District pays an annual premium to the pool for its general insurance coverage. The agreement for formation of NMPSIA provides that the pool will be self-sustaining through member's premiums. NMPSIA establishes self-insured retentions by line of coverage and procures insurance or re-insurance, where indicated, in excess of the self-insured retention on a per occurrence basis. NMPSIA will publish its own financial report for the year ended June 30, 2016.

The NMPSIA provides coverage for up to a maximum of \$500 million for each property damage claim with a \$750 deductible for each building. 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

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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.

**8. Pension Plan – Education Retirement Board**

Plan Description - Substantially all of the District's full-time employees participate in an educational employee retirement system authorized under the Educational Retirement Act (Chapter 22, Article 11, NMSA 1978). The Educational Retirement Board (ERB) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement benefits, disability benefits, survivor benefits and cost-of-living adjustments to plan members (certified teachers, other employees of state public school districts, colleges and universities, and some state agency employees) and beneficiaries. ERB issues a separate, publicly available financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by writing to ERB, P.O. Box 26129, Santa Fe, NM 87502. The report is also available on ERB's website at [www.nmerb.org](http://www.nmerb.org).

Funding Policy

Member Contributions

Plan members whose annual salary is \$20,000 or less are required by statute to contribute 7.9% of their gross salary. Plan members whose annual salary is over \$20,000 are required to make the following contributions to the Plan: 10.10% of their gross salary in fiscal year 2014; and 10.7% of their gross salary in fiscal year 2016 and thereafter.

Employer Contributions

In fiscal year 2016 The District contributed 13.9% of gross covered salary. The contribution requirements of plan members and the District are established in State statute under Chapter 22, Article 11, NMSA 1978. The requirements may be amended by acts of the legislature. The District's contributions to ERB for the fiscal years ending June 30, 2016, 2015, and 2014, were \$170,758, \$170,016 and \$157,429, respectively, which equal the amount of the required contributions for each fiscal year.

**9. Post-Employment Benefits – State Retiree Health Care Plan**

Plan Description – The District contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is 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

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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](http://www.nmrhca.state.nm.us).

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

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2016, the statutes required each participating employer to contribute 2.5% of each participating employee's annual salary; and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2016, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act.

The District's contributions to the RHCA for the years ended June 30, 2016, 2015 and 2014 were \$24,290, \$24,455 and \$23,923, respectively, which equal the required contributions for each year.

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**10. 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.

**11. Budgeted Activity Funds**

The Student Activity Funds, while budgeted under the Non-Instructional Support in the financial statements, are considered for reporting purposes as agency funds and related activity has been reported as such in the Statement of Changes in Assets and Liabilities – All Agency Funds section of the financial statements.

**12. Employer Participants of the Educational Retirement Board's Pension Plan**

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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

ERB issues a publicly available financial report and a comprehensive annual financial report that can be obtained at [www.nmerb.org](http://www.nmerb.org).

**Benefits provided.** A member's retirement benefit is determined by a formula which includes three component parts: the member's final average salary (FAS), the number of years of service credit, and a 0.0235 multiplier. The FAS is the average of the member's salaries for the last five years of service or

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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

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or more years of earned service credit on deferred status may retire on disability retirement when eligible under the Rule of 75 or when the member attains age 65.

**Contributions.** The contribution requirements of defined benefit plan members and the Wagon Mound Schools 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, 2015 and 2016, 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 Wagon Mound Schools were \$171,787 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, 2015. The total ERB pension liability was rolled forward from the valuation date to the Plan year ending June 30, 2014, using generally accepted actuarial principles. Therefore, the employer's portion was established as of the measurement date June 30, 2015. At June 30, 2016, the Wagon Mound Schools reported a liability of \$2,805,304 for its proportionate share of the net pension liability. The Wagon Mound Schools Page 7 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 Wagon Mound Schools proportion was 0.04331 percent, which was a decrease of .00041% from its proportion measured as of June 30, 2014.

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For the year ended June 30, 2016, the Wagon Mound Schools recognized pension expense of \$241,454. At June 30, 2016, the Wagon Mound Schools reported deferred outflows of resources and deferred inflows or resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Beginning Balance	\$ 257,746	\$ 263,921
Differences between expected and actual experience	-	27,978
Changes of assumptions	96,489	-
Net difference between projected and actual earnings on pension plan investments	155,852	-
Changes in proportion and differences between Wagon Mound School's contributions and proportionate share of contributions	-	18,292
Net Amortization of Deferred Amounts from Changes in Proportion		(33,839)
2015 Actual Employer Contributions	(156,651)	-
Wagon Mound School's contributions subsequent to the measurement date	<u>171,787</u>	<u>-</u>
Total	<u>\$ 525,223</u>	<u>\$ 276,352</u>

\$171,787 reported as deferred outflows of resources related to pensions resulting from Wagon Mound Schools contributions subsequent to the measurement date June 30, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended</u>	<u>Amount</u>
2017	\$ 21,657
2018	18,979
2019	(1,986)
2020	38,963
2021	-
Thereafter	-
Total	<u>\$ 77,613</u>

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**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:

- All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter.
- Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
- COLAs for most retirees are reduced until ERB attains a 100% funded status.
- These assumptions were adopted by ERB on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014.
- For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

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

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

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

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

**Sensitivity of Wagon Mound School's proportionate share of the net pension liability to changes in the discount rate.** The following table presents the Wagon Mound Schools proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the Wagon Mound School's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
Wagon Mound School's proportionate share of the net pension liability	\$ 3,774,724	\$ 2,805,304	\$ 1,990,890

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](http://www.nmerb.org).

Wagon Mound had payables of \$60,800 to the pension plan as of June 30, 2016.

**13. Restatement**

The following is the residual effect of prior year implementation of the Governmental Accounting Standards Board (GASB) 68, Accounting and Financial Reporting for Pensions and GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (GASB 68 establishes standards for measuring and recognizing pension liabilities, deferred outflows of resources, deferred inflows of resources and expenses):

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These implementations had the following effect on net position, as reported at June 30, 2016:

Net Position, June 30, 2015	\$ 2,585,357
Adjustment:	
Restatement	<u>(256,845)</u>
Net Position, as restated, June 30, 2015	<u>\$ 2,328,512</u>

**14. Subsequent Events**

The District has evaluated subsequent events through October 21, 2016, the date which the financial statements were available to be issued.

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**15. Reconciliation of Budgetary Basis to GAAP Basis Financial Statements:**

	11000	24106	21000	24154
	<b>Operational</b>	<b>Ent. IDEA-B</b>	<b>Food Svcs</b>	<b>Recruiting</b>
Revenues per Modified Accrual Basis	\$ 1,829,530	\$ 32,665	\$ 44,067	\$ 16,263
Prior Year Receivables	-	35,547	573	-
Current Year Receivables	-	(13,287)	-	(2,385)
Revenues per Budgetary Basis	<u>\$ 1,829,530</u>	<u>\$ 54,925</u>	<u>\$ 44,640</u>	<u>\$ 13,878</u>
Expenditures per Modified Accrual Basis	\$ 1,837,248	\$ 33,293	\$ 41,674	\$ 8,519
Prior Year Payables	-	681	1,348	-
Current Year Payables	-	(1,309)	(1,935)	-
Expenditures per Budgetary Basis	<u>\$ 1,837,248</u>	<u>\$ 32,665</u>	<u>\$ 41,087</u>	<u>\$ 8,519</u>
	27114	25233	28201	27183
	<b>NM Reads</b>	<b>Rural Educ.</b>	<b>CYFD Food</b>	<b>NM Grown</b>
Revenues per Modified Accrual Basis	\$ 36,081	\$ -	\$ 2,020	\$ (9,992)
Prior Year Receivables	16,153	-	-	10,186
Current Year Receivables	(13,647)	-	-	-
Revenues per Budgetary Basis	<u>\$ 38,587</u>	<u>\$ -</u>	<u>\$ 2,020</u>	<u>\$ 194</u>
Expenditures per Modified Accrual Basis	\$ 46,491	\$ 1,602	\$ 1,003	\$ -
Prior Year Payables	-	-	-	71
Current Year Payables	-	-	-	-
Expenditures per Budgetary Basis	<u>\$ 46,491</u>	<u>\$ 1,602</u>	<u>\$ 1,003</u>	<u>\$ 71</u>
	24109	27166	14000	28146
	<b>Pre. IDEA-B</b>	<b>Kinder. 3 Plus</b>	<b>Instr. Mat.</b>	<b>Sun Safety</b>
Revenues per Modified Accrual Basis	\$ 1,171	\$ 26,410	\$ 4,119	\$ 1,800
Prior Year Receivables	914	13,166	-	-
Current Year Receivables	(714)	(13,980)	1	-
Revenues per Budgetary Basis	<u>\$ 1,371</u>	<u>\$ 25,596</u>	<u>\$ 4,120</u>	<u>\$ 1,800</u>
Expenditures per Modified Accrual Basis	\$ 1,119	\$ 26,411	\$ 825	\$ 700
Prior Year Payables	-	-	-	-
Current Year Payables	-	-	-	-
Expenditures per Budgetary Basis	<u>\$ 1,119</u>	<u>\$ 26,411</u>	<u>\$ 825</u>	<u>\$ 700</u>

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	<b>Cap. Improve.</b>	<b>Debt Svc.</b>	<b>Pupil Svcs</b>	<b>Title I IASA</b>
Revenues per Modified Accrual Basis	\$ 58,185	\$ 97,381	\$ 102,604	\$ 97,524
Prior Year Receivables	(4,377)	(7,161)	102	(59,075)
Current Year Receivables	<u>2,597</u>	<u>4,385</u>	<u>10,181</u>	<u>48,060</u>
Revenues per Budgetary Basis	<u>\$ 56,405</u>	<u>\$ 94,605</u>	<u>\$ 112,887</u>	<u>\$ 86,509</u>

Expenditures per Modified Accrual Basis	\$ 16,685	\$ 98,139	\$ 113,235	\$ 97,722
Prior Year Payables	-	-	-	-
Current Year Payables	<u>308</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures per Budgetary Basis	<u>\$ 16,993</u>	<u>\$ 98,139</u>	<u>\$ 113,235</u>	<u>\$ 97,722</u>

	29102 <b>Private Grant</b>	22000 <b>Athletics</b>	27107 <b>Go 2012</b>	27149 <b>NM Pre-K</b>
Revenues per Modified Accrual Basis	\$ 1,000	\$ 8,907	\$ -	\$ 31,356
Prior Year Receivables	-	-	5,984	-
Current Year Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,654)</u>
Revenues per Budgetary Basis	<u>\$ 1,000</u>	<u>\$ 8,907</u>	<u>\$ 5,984</u>	<u>\$ 22,702</u>

Expenditures per Modified Accrual Basis	\$ 436	\$ 10,209	\$ -	\$ 31,677
Prior Year Payables	-	-	-	-
Current Year Payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures per Budgetary Basis	<u>\$ 436</u>	<u>\$ 10,209</u>	<u>\$ -</u>	<u>\$ 31,677</u>

	27103 <b>Duel Credit</b>
Revenues per Modified Accrual Basis	\$ -
Prior Year Receivables	-
Current Year Receivables	<u>-</u>
Revenues per Budgetary Basis	<u>\$ -</u>

Expenditures per Modified Accrual Basis	\$ -
Prior Year Payables	-
Current Year Payables	<u>-</u>
Expenditures per Budgetary Basis	<u>\$ -</u>

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**REQUIRED SUPPLEMENTARY INFORMATION**

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SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE WAGON MOUND SCHOOL'S PROPORTIONATE SHARE OF  
NET PENSION LIABILITY  
EDUCATIONAL RETIREMENT BOARD  
LAST 10 FISCAL YEARS\***

	<u>2016</u>	<u>2015</u>
Wagon Mound School's proportion of the net pension liability	0.0433%	0.0437%
Wagon Mound School's proportion of the net pension liability	2,805,304	2,494,539
Wagon Mound School's covered employee payroll	1,235,875	1,126,983
Wagon Mound School's proportionate share of the net pension liability as a percentage of its covered employee payroll	<u>226.99%</u>	<u>221.35%</u>
Plan fiduciary net position as a percentage of the total pension liability	63.97%	66.54%

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

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SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE WAGON MOUND SCHOOL'S CONTRIBUTIONS  
EDUCATIONAL RETIREMENT BOARD  
LAST 10 FISCAL YEARS\***

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 171,787	\$ 156,651
Contributions in relation to the contractually required contribution	<u>171,787</u>	<u>156,651</u>
Contributions deficiency (excess)	\$ -	\$ -
Wagon Mound School's covered employee payroll	\$ 1,235,875	\$ 1,126,983
Contributions as a percentage of covered employee payroll	13.90%	13.90%

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



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**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:

- All members with an annual salary of more than \$20,000 will contribute 10.70% during the fiscal year ending June 30, 2015 and thereafter.
- Members hired after June 30, 2013 will have an actuarially reduced retirement benefit if they retire before age 55 and their COLA will be deferred until age 67.
- COLAs for most retirees are reduced until ERB attains a 100% funded status.
- These assumptions were adopted by ERB on June 12, 2015 in conjunction with the six-year experience study period ending June 30, 2014.
- For the purposes of projecting future benefits, it is assumed that the full COLA is paid in all future years.

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

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2016**

	Special Revenue	Capital Projects	Debt Service	Total
<b>ASSETS</b>				
Cash and Temporary Investments	\$ 52,523	\$ 184,782	\$ 20,068	\$ 257,373
Receivables:				
Property Taxes	39,944	-	-	39,944
Due From Other Governments	-	2,597	4,385	6,982
Inventory	2,294	-	-	2,294
<b>Total Assets</b>	<b>\$ 94,761</b>	<b>\$ 187,379</b>	<b>\$ 24,453</b>	<b>\$ 306,593</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Cash Overdraft	\$ 42,272	\$ -	\$ -	\$ 42,272
Accounts Payable	1,935	-	-	1,935
Accrued Liabilities	9,273	-	-	9,273
Other Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>53,480</b>	<b>-</b>	<b>-</b>	<b>53,480</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Pupil Transportation				
Instructional Materials	-	-	-	-
Special Revenue	41,281	-	-	41,281
Capital Projects	-	187,379	-	187,379
Debt Service	-	-	24,453	24,453
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>41,281</b>	<b>187,379</b>	<b>24,453</b>	<b>253,113</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 94,761</b>	<b>\$ 187,379</b>	<b>\$ 24,453</b>	<b>\$ 306,593</b>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Total</u>
<b>REVENUES:</b>				
Taxes	\$ -	\$ 58,185	\$ 97,381	\$ 155,566
Charges for Services	-	-	-	-
Local Sources	1,960	-	-	1,960
State Sources	124,130	-	-	124,130
Federal Sources	29,613	-	-	29,613
Earnings From Investments	-	-	-	-
Other	-	-	-	-
Donations	<u>8,907</u>	<u>-</u>	<u>-</u>	<u>8,907</u>
<b>Total Revenues</b>	<u>164,610</u>	<u>58,185</u>	<u>97,381</u>	<u>320,176</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	1,602	-	-	1,602
Instructional Support	127,889	-	-	127,889
Food Services	41,674	-	-	41,674
Other	-	16,685	946	17,631
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	60,000	60,000
Bond Interest	<u>-</u>	<u>-</u>	<u>37,193</u>	<u>37,193</u>
<b>Total Expenditures</b>	<u>171,165</u>	<u>16,685</u>	<u>98,139</u>	<u>285,989</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over Expenditures</b>	<u>(6,555)</u>	<u>41,500</u>	<u>(758)</u>	<u>34,187</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(6,555)	41,500	(758)	34,187
Fund Balance at Beginning of Year	<u>47,836</u>	<u>145,879</u>	<u>25,211</u>	<u>218,926</u>
<b>Fund Balance at End of Year</b>	<u>\$ 41,281</u>	<u>\$ 187,379</u>	<u>\$ 24,453</u>	<u>\$ 253,113</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

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

**FOOD SERVICES (Fund 21000)**

This program provides financing for the school breakfast and lunch program. Funding is provided from fees from patrons and USDA food reimbursements, under the National School Lunch Act of 1946, as amended, Public Law 79-396, Sections 2-12, 60, Stat. 230, 42 U.S.C 1751 et seq.; 80 stat. 889, as amended; 84 stat. 270; and the Child Nutrition Act of 1966, as amended, Sections 4 and 10. Public Law 89-642, 80 stat. 886, 889, 42 U.S.C 1773, 1779; Public Law 99-591, 100 stat. 3341; Public Law 100-71 stat. 430.

**ATHLETICS (22000)**

This fund provides financing for school athletic activities. Funding is provided by fees from patrons. The authority for creation of this fund is 6.20.2 NMAC.

**FRESH FRUITS IN CLASSROOM (24118)**

To assist states, through cash grants, in providing fresh fruits and vegetables to school children in designated participating schools beginning in school year 2004/2005. Authorized by National School Lunch Act, as amended, 42 U.S.C. 1769.

**DISCRETIONARY IDEA-B (24107)**

To account for a program funded by a Federal Grant to assist the District in providing a free appropriate public education to all children with disabilities. Authorized by Individuals with Disabilities Education Act (IDEA), Part B, Section 611, as amended, 20 U.S.C 1411.

**TEACHER PRINCIPAL 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.

**ENGLISH LANGUAGE ACQUISITION (24153)**

To provide funds to improve the educational performance of limited English proficient students by assisting the children to learn English and meet state academic content standards.

**STATE FLOW-THROUGH GRANT (27178)**

To account for federal funds flowing through the state to school districts

**GO BOND LIBRARY 2012 (27107)**

Funding made available to update and expand library collections, authorized by state statute.

**NM READS TO LEAD (27114)**

To provide funding for reading initiative activities for grades K-3. Funding is received from the State of New Mexico. The authority is the School Board and the New Mexico Public Education Department.

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WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

RURAL EDUCATION ACHIEVEMENT (25233)

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.

NM GROWN FRESH FRUITS AND VEGETABLES (27183)

To account for funds provided by the New Mexico Public Education Department to purchase New Mexico locally grown fresh fruits and vegetables for school meal programs.

CYFD SUMMER FOOD SERVICE PROGRAM (28201)

To provide lunch to students during the summer months.

NEXT GENERATION ASSESSMENTS (27185)

To account for funds provided by the New Mexico Public Education Department to remediate deficiencies in computer devices compliant with the Partnership for Assessment of Readiness for College and Career Assessment requirements.

GO BOND LIBRARY 2008 (27105)

Funding made available to update and expand library collections.

PRESCHOOL IDEA-B STIMULUS (24209)

The Preschool program is for the purpose of enhancing Special Education for handicapped children from ages 3 to 5. The program is funded by the United States government, under the Individuals With Disabilities Act, part B, Section 619, as amended, Public Laws 94-142, 99\*457,100-630, 101497, and101-476.

DUAL CREDIT INSTRUCTIONAL MATERIALS (27103)

To account for resources received from House Bill 2, 2009, to be used for dual credit instructional materials through courses approved by the Higher Education Department and through a college/university for which the District has an approved agreement.

USDA EQUIPMENT ASSISTANCE (24183)

Redistribution. This program is used for the deployment of Career-focused Student Learning System at the Secondary Level using the Career Cluster Framework.

BREAKFAST FOR ELEMENTARY STUDENTS (27155)

The 2005 Legislative General Appropriation Act allocated \$475,000 to implement Breakfast in the Classroom for elementary schools in need of improvement based on 2004-2005 AYP designation.

KINDERGARTEN 3 PLUS (27166)

Extended school year Reading and Math Instruction in grades Kindergarten through 3<sup>rd</sup>. Authorized by 2007 House Bill 198 to establish a fund to allow New Mexico Public Schools to

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

develop a six year pilot project that extends the school year for kindergarten to third grade up to two months to measure the effect of additional time on literacy, numeric and social skills.

GO BOND LIBRARY 2010 (27105)

Funding made available to update and expand library collections.

SUN SAFETY (28146)

To account for funds administered through the NM Department of Health to promote sun safety education to reduce the risk of developing skin cancer.

GENERAL OBLIGATIONS SCHOOL BUS (27172)

Special state appropriation to purchase a to-and-from route bus.

PRIVATE DIRECT GRANTS (29102)

To account for local grants awarded to provide additional funding for specific projects. Funds provided to the District by Community First Bank to put AEDs in Public Buildings.

NM Pre-K Initiative (27149)

NM Pre-K Initiative funds are available through a grant process and can be expensed as specified in the grant for support of the Pre-K Classroom.

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WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2016**

	<u>Food Services</u>	<u>Athletics</u>	<u>Fresh Fruits in Classroom</u>
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 46,407	\$ 3,798	\$ -
Receivables:			
Property Taxes	-	-	-
Due From Other Governments	-	-	-
Inventory	<u>2,294</u>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u>\$ 48,701</u>	<u>\$ 3,798</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Cash Overdraft	\$ -	\$ -	\$ 1,791
Accounts Payable	1,935	-	-
Accrued Liabilities	-	-	-
Other Liabilities	-	-	-
<b>Total Liabilities</b>	<u>1,935</u>	<u>-</u>	<u>1,791</u>
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	-	-	-
Restricted for:			
Pupil Transportation			
Instructional Materials	-	-	-
Special Revenue	46,766	3,798	(1,791)
Capital Projects			
Debt Service	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>46,766</u>	<u>3,798</u>	<u>(1,791)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 48,701</u>	<u>\$ 3,798</u>	<u>\$ -</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (continued)  
JUNE 30, 2016**

	Teacher Principal Recruiting	English Language Acquisition	State Flow- Through Grant	GO Bond Library 2012	NM Reads to Lead
<b>ASSETS</b>					
Cash and Temporary Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Property Taxes	2,385	-	-	-	13,647
Due From Other Governments	-	-	-	-	-
Inventory	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 2,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,647</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Cash Overdraft	\$ 1,891	\$ -	\$ -	\$ -	\$ 23,728
Accounts Payable	-	-	-	-	-
Accrued Liabilities	626	-	-	-	-
Other Liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<u>2,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,728</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted for:					
Pupil Transportation					
Instructional Materials	-	-	-	-	-
Special Revenue	(132)	-	-	-	(10,081)
Capital Projects					
Debt Service	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>(132)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,081)</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 2,385</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,647</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (continued)  
JUNE 30, 2016**

	<u>Rural Education Achievement</u>	<u>NM Grown FVV</u>	<u>CYFD Summer Food</u>
<b>ASSETS</b>			
Cash and Temporary Investments	\$ 303	\$ -	\$ 744
Receivables:			
Property Taxes	-	-	-
Due From Other Governments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 303</u>	<u>\$ -</u>	<u>\$ 744</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Cash Overdraft	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Accrued Liabilities	-	-	-
Other Liabilities	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:			
Nonspendable:			
Inventories	-	-	-
Restricted For:			
Pupil Transportation			
Instructional Materials	-	-	-
Special Revenue	303	-	744
Capital Projects			
Debt Service	-	-	-
Unassigned	-	-	-
Total Fund Balance	<u>303</u>	<u>-</u>	<u>744</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 303</u>	<u>\$ -</u>	<u>\$ 744</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (continued)  
JUNE 30, 2016**

	Preschool IDEA-B	USDA Equipment Assistance	Kindergarten 3 Plus
<b>ASSETS</b>			
Cash and Temporary Investments	\$ -	\$ -	\$ -
Receivables:			
Property Taxes	714	-	13,980
Due From Other Governments	-	-	-
Inventory	-	-	-
<b>Total Assets</b>	<u>\$ 714</u>	<u>\$ -</u>	<u>\$ 13,980</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Cash Overdraft	\$ 662	\$ -	\$ 9,542
Accounts Payable	-	-	-
Accrued Liabilities	-	-	4,330
Other Liabilities	-	-	-
<b>Total Liabilities</b>	<u>662</u>	<u>-</u>	<u>13,872</u>
Fund Balance:			
Nonspendable:			
Inventories	-	-	-
Restricted For:			
Pupil Transportation			
Instructional Materials	-	-	-
Special Revenue	52	-	108
Capital Projects			
Debt Service	-	-	-
Unassigned	-	-	-
Total Fund Balance	<u>52</u>	<u>-</u>	<u>108</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 714</u>	<u>\$ -</u>	<u>\$ 13,980</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR GOVERNMENTAL FUNDS  
SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET (continued)  
JUNE 30, 2016**

	GO Bond Library 2010	Sun Safety	NM Pre-K Initiative	Private Direct Grants	Total
<b>ASSETS</b>					
Cash and Temporary Investments	\$ -	\$ 1,271	\$ -	\$ -	\$ 52,523
Receivables:					-
Property Taxes	-	-	8,654	564	39,944
Due From Other Governments	-	-	-	-	-
Inventory	-	-	-	-	2,294
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 1,271</b>	<b>\$ 8,654</b>	<b>\$ 564</b>	<b>\$ 94,761</b>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Cash Overdraft	\$ -	\$ -	\$ 4,658	\$ -	\$ 42,272
Accounts Payable	-	-	-	-	1,935
Accrued Liabilities	-	-	4,317	-	9,273
Other Liabilities	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>8,975</b>	<b>-</b>	<b>53,480</b>
Fund Balance:					
Nonspendable:					
Inventories	-	-	-	-	-
Restricted For:					
Pupil Transportation					-
Instructional Materials	-	-	-	-	-
Special Revenue	-	1,271	(321)	564	41,281
Capital Projects					-
Debt Service	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balance</b>	<b>-</b>	<b>1,271</b>	<b>(321)</b>	<b>564</b>	<b>41,281</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ -</b>	<b>\$ 1,271</b>	<b>\$ 8,654</b>	<b>\$ 564</b>	<b>\$ 94,761</b>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Food Services</u>	<u>Athletics</u>	<u>Fresh Fruit in Classroom</u>
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Local Sources	1,960	-	-
State Sources	42,107	-	1,092
Federal Sources	-	-	-
Earnings From Investments	-	-	-
Other	-	-	-
Donations	-	8,907	-
<b>Total Revenues</b>	<u>44,067</u>	<u>8,907</u>	<u>1,092</u>
<b>EXPENDITURES:</b>			
Current:			
Direct Instruction	-	-	-
Instructional Support	-	10,209	1,253
Food Services	41,674	-	-
Other	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Bond Principal	-	-	-
Bond Interest	-	-	-
<b>Total Expenditures</b>	<u>41,674</u>	<u>10,209</u>	<u>1,253</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>			
	<u>2,393</u>	<u>(1,302)</u>	<u>(161)</u>
<b>Other Financing Sources and Financing Uses:</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds from Bond Issues	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,393	(1,302)	(161)
Fund Balance at Beginning of Year	<u>44,373</u>	<u>5,100</u>	<u>(1,630)</u>
<b>Fund Balance at End of Year</b>	<u>\$ 46,766</u>	<u>\$ 3,798</u>	<u>\$ (1,791)</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Teacher Principal Recruiting	English Language Acquisition	State Flow- Through Grant	GO Bond Library 2012	NM Reads to Lead
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Local Sources	-	-	-	-	-
State Sources	-	-	-	-	36,081
Federal Sources	16,263	2,871	-	-	-
Earnings From Investments	-	-	-	-	-
Other	-	-	-	-	-
Donations	-	-	-	-	-
<b>Total Revenues</b>	<u>16,263</u>	<u>2,871</u>	<u>-</u>	<u>-</u>	<u>36,081</u>
<b>EXPENDITURES:</b>					
Current:					
Direct Instruction	-	-	-	-	-
Instructional Support	8,519	-	-	-	46,491
Food Services	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Bond Principal	-	-	-	-	-
Bond Interest	-	-	-	-	-
<b>Total Expenditures</b>	<u>8,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,491</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>7,744</u>	<u>2,871</u>	<u>-</u>	<u>-</u>	<u>(10,410)</u>
<b>Other Financing Sources and Financing Uses:</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Proceeds from Bond Issues	-	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,744	2,871	-	-	(10,410)
Fund Balance at Beginning of Year	<u>(7,876)</u>	<u>(2,871)</u>	<u>-</u>	<u>-</u>	<u>329</u>
<b>Fund Balance at End of Year</b>	<u>\$ (132)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,081)</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

	Rural Education Achievement	NM Grown FVV	CYFD Summer Food
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Local Sources	-	-	-
State Sources	-	(9,992)	2,020
Federal Sources	-	-	-
Earnings From Investments	-	-	-
Other	-	-	-
Donations	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>(9,992)</u>	<u>2,020</u>
<b>EXPENDITURES:</b>			
Current:			
Direct Instruction	1,602	-	-
Instructional Support	-	71	1,003
Food Services	-	-	-
Other	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Bond Principal	-	-	-
Bond Interest	-	-	-
<b>Total Expenditures</b>	<u>1,602</u>	<u>71</u>	<u>1,003</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(1,602)</u>	<u>(10,063)</u>	<u>1,017</u>
<b>Other Financing Sources and Financing Uses:</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds from Bond Issues	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,602)	(10,063)	1,017
Fund Balance at Beginning of Year	1,905	10,063	(273)
<b>Fund Balance at End of Year</b>	<u>\$ 303</u>	<u>\$ -</u>	<u>\$ 744</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Preschool IDEA-B</b>	<b>USDA Equipment Assistance</b>	<b>Kindergarten 3 Plus</b>
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ -
Charges for Services	-	-	-
Local Sources	-	-	-
State Sources	-	-	26,410
Federal Sources	1,171	9,308	-
Earnings From Investments	-	-	-
Other	-	-	-
Donations	-	-	-
<b>Total Revenues</b>	<u>1,171</u>	<u>9,308</u>	<u>26,410</u>
<b>EXPENDITURES:</b>			
Current:			
Direct Instruction	-	-	-
Instructional Support	1,119	-	26,411
Food Services	-	-	-
Other	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Bond Principal	-	-	-
Bond Interest	-	-	-
<b>Total Expenditures</b>	<u>1,119</u>	<u>-</u>	<u>26,411</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>52</u>	<u>9,308</u>	<u>(1)</u>
<b>Other Financing Sources and Financing Uses:</b>			
Transfers In	-	-	-
Transfers Out	-	-	-
Proceeds from Bond Issues	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	52	9,308	(1)
Fund Balance at Beginning of Year	-	(9,308)	109
<b>Fund Balance at End of Year</b>	<u>\$ 52</u>	<u>\$ -</u>	<u>\$ 108</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

	GO Bond Library 2010	Sun Safety	NM Pre-K Initiative	Private Direct Grants	Total
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-	-
Local Sources	-	-	-	-	1,960
State Sources	(7,744)	1,800	31,356	1,000	124,130
Federal Sources	-	-	-	-	29,613
Earnings From Investments	-	-	-	-	-
Other	-	-	-	-	-
Donations	-	-	-	-	8,907
<b>Total Revenues</b>	<u>(7,744)</u>	<u>1,800</u>	<u>31,356</u>	<u>1,000</u>	<u>164,610</u>
<b>EXPENDITURES:</b>					
Current:					
Direct Instruction	-	-	-	-	1,602
Instructional Support	-	700	31,677	436	127,889
Food Services	-	-	-	-	41,674
Other	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Bond Principal	-	-	-	-	-
Bond Interest	-	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>700</u>	<u>31,677</u>	<u>436</u>	<u>171,165</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(7,744)</u>	<u>1,100</u>	<u>(321)</u>	<u>564</u>	<u>(6,555)</u>
<b>Other Financing Sources and Financing Uses:</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	-	-
Proceeds from Bond Issues	-	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(7,744)	1,100	(321)	564	(6,555)
Fund Balance at Beginning of Year	7,744	171	-	-	47,836
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ 1,271</u>	<u>\$ (321)</u>	<u>\$ 564</u>	<u>\$ 41,281</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
FOOD SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	1,500	1,500	1,960	460
State Sources	-	-	42,680	42,680
Federal Sources	26,500	26,500	-	(26,500)
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>28,000</u>	<u>28,000</u>	<u>44,640</u>	<u>16,640</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	69,155	70,854	41,087	29,767
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>69,155</u>	<u>70,854</u>	<u>41,087</u>	<u>29,767</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(41,155)</u>	<u>(42,854)</u>	<u>3,553</u>	<u>46,407</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(41,155)	(42,854)	3,553	46,407
Fund Balance at Beginning of Year	-	-	1,695	1,695
<b>Fund Balance at End of Year</b>	<u>\$ (41,155)</u>	<u>\$ (42,854)</u>	<u>\$ 5,248</u>	<u>\$ 48,102</u>

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

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	2,854	-	-	-
Donations	<u>14,000</u>	<u>14,000</u>	<u>8,907</u>	<u>(5,093)</u>
<b>Total Revenues</b>	<u>16,854</u>	<u>14,000</u>	<u>8,907</u>	<u>(5,093)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	17,855	19,100	10,209	8,891
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>17,855</u>	<u>19,100</u>	<u>10,209</u>	<u>8,891</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>(1,001)</u>	<u>(5,100)</u>	<u>(1,302)</u>	<u>3,798</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(1,001)	(5,100)	(1,302)	3,798
Fund Balance at Beginning of Year	-	-	<u>2,246</u>	<u>2,246</u>
<b>Fund Balance at End of Year</b>	<u>\$ (1,001)</u>	<u>\$ (5,100)</u>	<u>\$ 944</u>	<u>\$ 6,044</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
TEACHER PRINCIPAL TRAINING AND RECRUITMENT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	9,156	9,156	13,878	4,722
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>9,156</u>	<u>9,156</u>	<u>13,878</u>	<u>4,722</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	9,156	9,156	8,519	637
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>9,156</u>	<u>9,156</u>	<u>8,519</u>	<u>637</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>-</u>	<u>-</u>	<u>5,359</u>	<u>5,359</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	5,359	5,359
Fund Balance at Beginning of Year	-	-	(14,506)	(14,506)
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9,147)</u>	<u>\$ (9,147)</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
GO BOND LIBRARY 2012  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	6,175	6,175	5,984	(191)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>6,175</u>	<u>6,175</u>	<u>5,984</u>	<u>(191)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	6,175	6,175	-	6,175
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>6,175</u>	<u>6,175</u>	<u>-</u>	<u>6,175</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>-</u>	<u>-</u>	<u>5,984</u>	<u>5,984</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	5,984	5,984
Fund Balance at Beginning of Year	-	-	5,984	5,984
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,968</u>	<u>\$ 11,968</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NM READS TO LEAD SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	50,000	50,000	38,587	(11,413)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>50,000</u>	<u>50,000</u>	<u>38,587</u>	<u>(11,413)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	50,000	50,000	46,491	3,509
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>50,000</u>	<u>50,000</u>	<u>46,491</u>	<u>3,509</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>(7,904)</u>	<u>(7,904)</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(7,904)	(7,904)
Fund Balance at Beginning of Year	-	-	(2,425)	(2,425)
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (10,329)</u>	<u>\$ (10,329)</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
RURAL EDUCATION ACHIEVEMENT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	1,905	1,602	303
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,905</u>	<u>1,602</u>	<u>303</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>(1,905)</u>	<u>(1,602)</u>	<u>303</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(1,905)	(1,602)	303
Fund Balance at Beginning of Year	-	-	466	466
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ (1,905)</u>	<u>\$ (1,136)</u>	<u>\$ 769</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
CYFD SUMMER FOOD  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	1,026	2,020	994
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>1,026</u>	<u>2,020</u>	<u>994</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	1,026	1,003	23
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,026</u>	<u>1,003</u>	<u>23</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>1,017</u>	<u>1,017</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,017	1,017
Fund Balance at Beginning of Year	-	-	(69)	(69)
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 948</u>	<u>\$ 948</u>

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

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	1,399	2,103	1,371	(732)
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>1,399</u>	<u>2,103</u>	<u>1,371</u>	<u>(732)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	1,399	2,103	1,119	984
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>1,399</u>	<u>2,103</u>	<u>1,119</u>	<u>984</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>252</u>	<u>252</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	252	252
Fund Balance at Beginning of Year	-	-	(560)	(560)
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (308)</u>	<u>\$ (308)</u>

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**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
KINDERGARTEN 3 PLUS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	15,408	27,159	25,596	(1,563)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>15,408</u>	<u>27,159</u>	<u>25,596</u>	<u>(1,563)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	15,408	27,159	26,411	748
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>15,408</u>	<u>27,159</u>	<u>26,411</u>	<u>748</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>(815)</u>	<u>(815)</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(815)	(815)
Fund Balance at Beginning of Year	-	-	706	706
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (109)</u>	<u>\$ (109)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SUN SAFETY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	1,800	1,800	-
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>1,800</u>	<u>1,800</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	1,800	700	1,100
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,800</u>	<u>700</u>	<u>1,100</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>1,100</u>	<u>1,100</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	1,100	1,100
Fund Balance at Beginning of Year	-	-	(2,598)	(2,598)
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,498)</u>	<u>\$ (1,498)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NM PRE-K INITIATIVE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	32,062	32,062	22,702	(9,360)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>32,062</u>	<u>32,062</u>	<u>22,702</u>	<u>(9,360)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	32,062	32,062	31,677	385
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>32,062</u>	<u>32,062</u>	<u>31,677</u>	<u>385</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>(8,975)</u>	<u>(8,975)</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	(8,975)	(8,975)
Fund Balance at Beginning of Year	-	-	(2,598)	(2,598)
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,573)</u>	<u>\$ (11,573)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
DUAL CREDIT IM  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	474	-	(474)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>474</u>	<u>-</u>	<u>(474)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	474	-	474
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>474</u>	<u>-</u>	<u>474</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	-	-	(2,598)	(2,598)
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,598)</u>	<u>\$ (2,598)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
USDA EQUIPMENT ASSISTANCE PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	71	194	123
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>71</u>	<u>194</u>	<u>123</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	71	71	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>71</u>	<u>71</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>123</u>	<u>123</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	123	123
Fund Balance at Beginning of Year	-	-	19,760	19,760
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,883</u>	<u>\$ 19,883</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
PRIVATE DIRECT GRANTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	1,000	1,000	-
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	1,000	436	564
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>1,000</u>	<u>436</u>	<u>564</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>564</u>	<u>564</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	564	564
Fund Balance at Beginning of Year	-	-	19,760	19,760
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,324</u>	<u>\$ 20,324</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR CAPITAL PROJECTS FUNDS DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District has the following separate funds classified as Capital Projects Funds:

Bond Building Fund (Fund 31100)

To account for funds used for building construction.

Public School Capital Outlay (31200)

To account for the Critical Capital Outlay funds and other special capital outlay funds received from the State of New Mexico. The funds are restricted for the purposes outlined in the applicable legislation under which the funds were approved. This generally includes construction of new schools or improvements to existing schools.

Special Capital Outlay - Local (31300)

To account for revenues which are derived from local sources such as the sale of a building.

Special Capital Outlay - State (31400)

To account for special appropriation monies received from the State of New Mexico under Chapter 4, Laws of 1996 for the purpose of upgrading Wagon Mound Public School facilities.

Capital Improvements SB-9 (31700)

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 levy 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  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2016**

	<b>Bond Building Fund</b>	<b>Public School Capital Outlay</b>	<b>Special Capital Outlay Local</b>	<b>Special Capital Outlay State</b>
<b>ASSETS</b>				
Cash and Temporary Investments	\$ 4	\$ 18,339	\$ 23,628	\$ 44,858
Receivables:				
Due From Other Governments	-	-	-	-
Property Taxes	-	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>\$ 4</b>	<b>\$ 18,339</b>	<b>\$ 23,628</b>	<b>\$ 44,858</b>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Cash Overdraft	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-
Accrued Liabilities	-	-	-	-
Other Liabilities	-	-	-	-
Unearned Revenue	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balance:				
Nonspendable:				
Inventories	-	-	-	-
Restricted For:				
Pupil Transportation				
Instructional Materials	-	-	-	-
Special Revenue	-	-	-	-
Capital Projects	4	18,339	23,628	44,858
Debt Service	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balance	<b>4</b>	<b>18,339</b>	<b>23,628</b>	<b>44,858</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4</b>	<b>\$ 18,339</b>	<b>\$ 23,628</b>	<b>\$ 44,858</b>

See Independent Auditors' Report



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS (continued)  
JUNE 30, 2016**

	Capital Improvement s SB-9	Total
<b>ASSETS</b>		
Cash and Temporary Investments	\$ 97,953	\$ 184,782
Receivables:		
Due From Other Governments	-	-
Property Taxes	2,597	2,597
Inventory	-	-
<b>Total Assets</b>	<b>\$ 100,550</b>	<b>\$ 187,379</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Cash Overdraft	\$ -	\$ -
Accounts Payable	-	-
Accrued Liabilities	-	-
Other Liabilities	-	-
Unearned Revenue	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>
Fund Balance:		
Nonspendable:		
Inventories	-	-
Restricted For:		
Pupil Transportation		-
Instructional Materials	-	-
Special Revenue	-	-
Capital Projects	100,550	187,379
Debt Service	-	-
Unassigned	-	-
Total Fund Balance	100,550	187,379
<b>Total Liabilities and Fund Balance</b>	<b>\$ 100,550</b>	<b>\$ 187,379</b>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Bond Building Fund</u>	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay Local</u>	<u>Special Capital Outlay State</u>
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Earnings From Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance at Beginning of Year	<u>4</u>	<u>18,339</u>	<u>23,628</u>	<u>44,858</u>
<b>Fund Balance at End of Year</b>	<u>\$ 4</u>	<u>\$ 18,339</u>	<u>\$ 23,628</u>	<u>\$ 44,858</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS (continued)  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Capital Improvements SB-9</b>	<b>Total</b>
<b>REVENUES:</b>		
Taxes	\$ 58,185	\$ 58,185
Charges for Services	-	-
Local Sources	-	-
State Sources	-	-
Federal Sources	-	-
Earnings From Investments	-	-
Other	-	-
Donations	-	-
<b>Total Revenues</b>	<b>58,185</b>	<b>58,185</b>
<b>EXPENDITURES:</b>		
Current:		
Direct Instruction	-	-
Instructional Support	-	-
Food Services	-	-
Other	16,685	16,685
Capital Outlay	-	-
Debt Service:		
Bond Principal	-	-
Bond Interest	-	-
<b>Total Expenditures</b>	<b>16,685</b>	<b>16,685</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>41,500</b>	<b>41,500</b>
<b>Other Financing Sources and Financing Uses:</b>		
Transfers In	-	-
Transfers Out	-	-
Proceeds from Bond Issues	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	41,500	41,500
Fund Balance at Beginning of Year	59,050	145,879
<b>Fund Balance at End of Year</b>	<b>\$ 100,550</b>	<b>\$ 187,379</b>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SPECIAL CAPITAL OUTLAY STATE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	20,000	20,000
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>				
	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	-	20,000	20,000
Fund Balance at Beginning of Year	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>

See Independent Auditors' Report

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

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES:</b>				
Taxes	\$ 54,751	\$ 54,751	\$ 56,405	\$ 1,654
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	18,269	18,269	-	(18,269)
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	-	-	-
Donations	-	-	-	-
<b>Total Revenues</b>	<u>73,020</u>	<u>73,020</u>	<u>56,405</u>	<u>(16,615)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	117,417	131,561	16,993	114,568
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	-	-	-	-
Bond Interest	-	-	-	-
<b>Total Expenditures</b>	<u>117,417</u>	<u>131,561</u>	<u>16,993</u>	<u>114,568</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(44,397)</u>	<u>(58,541)</u>	<u>39,412</u>	<u>97,953</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(44,397)	(58,541)	39,412	97,953
Fund Balance at Beginning of Year	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ (44,397)</u>	<u>\$ (58,541)</u>	<u>\$ 39,412</u>	<u>\$ 97,953</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
NON-MAJOR DEBT SERVICE FUNDS DESCRIPTIONS  
FOR THE YEAR ENDED JUNE 30, 2016**

Debt Service Fund (Fund 41000)

This fund is used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest. The resources of this fund are generated by the tax levy based upon property values.

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING BALANCE SHEETS  
NON-MAJOR DEBT SERVICE FUNDS  
AS OF JUNE 30, 2016**

	Debt Services Fund	Total Debt Services Funds
<b>ASSETS</b>		
Cash and Temporary Investments	\$ 20,068	\$ 20,068
Receivables:		
Due From Other Governments	-	-
Property Taxes	4,385	4,385
Inventory	-	-
<b>Total Assets</b>	<b>\$ 24,453</b>	<b>\$ 24,453</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Cash Overdraft	\$ -	\$ -
Accounts Payable	-	-
Accrued Liabilities	-	-
Other Liabilities	-	-
Unearned Revenue	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>
Fund Balance:		
Nonspendable:		
Inventories	-	-
Restricted For:		
Pupil Transportation		-
Instructional Materials	-	-
Special Revenue	-	-
Capital Projects	-	-
Debt Service	24,453	24,453
Unassigned	-	-
Total Fund Balance	24,453	24,453
<b>Total Liabilities and Fund Balance</b>	<b>\$ 24,453</b>	<b>\$ 24,453</b>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NON-MAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Debt Services</b>	<b>Total</b>
<b>REVENUES:</b>		
Taxes	\$ 97,381	\$ 97,381
Charges for Services	-	-
Local Sources	-	-
State Sources	-	-
Federal Sources	-	-
Earnings From Investments	-	-
Other	-	-
Donations	-	-
<b>Total Revenues</b>	<b>97,381</b>	<b>97,381</b>
<b>EXPENDITURES:</b>		
Current:		
Direct Instruction	-	-
Instructional Support	-	-
Food Services	-	-
Other	946	946
Capital Outlay	-	-
Debt Service:		
Bond Principal	60,000	60,000
Bond Interest	37,193	37,193
<b>Total Expenditures</b>	<b>98,139</b>	<b>98,139</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(758)</b>	<b>(758)</b>
<b>Other Financing Sources and Financing Uses:</b>		
Transfers In	-	-
Transfers Out	-	-
Proceeds from Bond Issues	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balance	(758)	(758)
Fund Balance at Beginning of Year	25,211	25,211
<b>Fund Balance at End of Year</b>	<b>\$ 24,453</b>	<b>\$ 24,453</b>

See Independent Auditors' Report



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
DEBT SERVICE NON-MAJOR DEBT SERVICE FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE – BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES:</b>				
Taxes	\$ 97,193	\$ 97,193	\$ 94,605	\$ (2,588)
Charges for Services	-	-	-	-
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Earnings from Investments	-	-	-	-
Other	-	97,193	-	(97,193)
Donations	-	-	-	-
<b>Total Revenues</b>	<u>97,193</u>	<u>194,386</u>	<u>94,605</u>	<u>(99,781)</u>
<b>EXPENDITURES:</b>				
Current:				
Direct Instruction	-	-	-	-
Instructional Support	-	-	-	-
Food Services	-	-	-	-
Other	-	1,000	946	54
Capital Outlay	-	-	-	-
Debt Service:				
Bond Principal	120,841	79,841	60,000	19,841
Bond Interest	-	40,000	37,193	2,807
<b>Total Expenditures</b>	<u>120,841</u>	<u>120,841</u>	<u>98,139</u>	<u>22,702</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(23,648)</u>	<u>73,545</u>	<u>(3,534)</u>	<u>(77,079)</u>
<b>Other Financing Sources and Financing Uses:</b>				
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Proceeds from Bond Issues	-	-	-	-
<b>Total Other Financing Sources and Financing Uses:</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(23,648)	73,545	(3,534)	(77,079)
Fund Balance at Beginning of Year	-	-	-	-
<b>Fund Balance at End of Year</b>	<u>\$ (23,648)</u>	<u>\$ 73,545</u>	<u>\$ (3,534)</u>	<u>\$ (77,079)</u>

See Independent Auditors' Report

**SUPPLEMENTARY SCHEDULES**

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
AGENCY FUNDS  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016**

<b>Fund</b>	<b>Balance 6/30/2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/2016</b>
Agency Funds	\$ 30,921	\$ 63,288	\$ 60,004	\$ 34,205
Private Purpose Trust Fund	39,910	6,862	-	46,772
Total	<u>\$ 70,831</u>	<u>\$ 70,150</u>	<u>\$ 60,004</u>	<u>\$ 80,977</u>

**STATE OF NEW MEXICO**  
**WAGON MOUND PUBLIC SCHOOLS**  
**SCHEDULE OF COLLATERAL PLEDGED BY DEPOSITORY**  
**FOR PUBLIC FUNDS**  
**JUNE 30, 2016**

Name of Depository	Description of Pledged Collateral	Quantity	Fair / Par Market Value at June 30, 2016	Name and Location of Safekeeper
Wells Fargo	CUSIP 3138W7GQ1 3.5% Due 3/1/2043	267,602	\$ 175,800	BNY Mellon
<b>Total</b>			<u>\$ 175,800</u>	

See Independent Auditors' Report

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

<u>Bank Account Type</u>	<u>Wells Fargo Bank</u>
Certificate of Deposit	\$ 3,384
Checking - General Fund	392,553
Checking - Athletic Fund	3,798
Checking - Hot Lunch Fund	48,689
Checking - Activities II	8,114
Checking - Activities I	<u>33,573</u>
Total on Deposit	490,111
Reconciling Items	<u>(150,366)</u>
Reconciled Balance, June 30, 2016	339,745
Less: Fiduciary Funds Cash	<u>(43,925)</u>
<b>Cash per Statement of Net Position</b>	<b><u>\$ 295,820</u></b>

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS  
JUNE 30, 2016**

	<u>Operational</u>	<u>Pupil Transportation</u>	<u>Instructional Materials</u>	<u>Title I IASA</u>	<u>21st Century Community Learning Centers</u>
<b>Cash, June 30, 2015</b>	\$ 209,030	\$ 31,244	\$ 3,269	\$ (26,544)	\$ -
Add:					
FY 2016 Revenues	1,829,530	102,604	4,119	97,524	-
Permanent Cash Transfers In	-	-	-	-	-
Loans From Other Funds	<u>126,564</u>	<u>6,551</u>	<u>-</u>	<u>26,600</u>	<u>-</u>
Total Cash Available	2,165,124	140,399	7,388	97,580	-
Less:					
FY 2016 Expenditures	1,837,248	113,235	825	97,722	-
Permanent Cash Transfers Out	104,583	6,003	-	-	-
Loans to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,945</u>	<u>-</u>
Total Disbursements	<u>1,941,831</u>	<u>119,238</u>	<u>825</u>	<u>137,667</u>	<u>-</u>
<b>Cash, June 30, 2016</b>	<u>\$ 223,293</u>	<u>\$ 21,161</u>	<u>\$ 6,563</u>	<u>\$ (40,087)</u>	<u>\$ -</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS (continued)  
JUNE 30, 2016**

	<u>Food Services</u>	<u>Athletics</u>	<u>Entitlement IDEA-B</u>	<u>Fresh Fruit in Classroom</u>
<b>Cash, June 30, 2015</b>	\$ 42,854	\$ 5,100	\$ (42,580)	\$ (1,661)
Add:				
FY 2016 Revenues	44,067	8,907	32,665	1,092
Permanent Cash Transfers In	-	-	-	-
Loans From Other Funds	<u>1,160</u>	<u>-</u>	<u>22,429</u>	<u>31</u>
Total Cash Available	88,081	14,007	12,514	(538)
Less:				
FY 2016 Expenditures	41,674	10,209	33,293	1,253
Permanent Cash Transfers Out	-	-	-	-
Loans to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements	<u>41,674</u>	<u>10,209</u>	<u>33,293</u>	<u>1,253</u>
<b>Cash, June 30, 2016</b>	<u>\$ 46,407</u>	<u>\$ 3,798</u>	<u>\$ (20,779)</u>	<u>\$ (1,791)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS (continued)  
JUNE 30, 2016**

	<b>Teacher Principal Training &amp; Recruit</b>	<b>State Flow- Through Grant</b>	<b>English Language Acquisition</b>	<b>Rural Education Achievement</b>
<b>Cash, June 30, 2015</b>	\$ (7,418)	\$ (56,219)	\$ (2,871)	\$ 2,230
Add:				
FY 2016 Revenues	16,263	-	2,871	-
Permanent Cash Transfers In	-	56,219	-	-
Loans From Other Funds	-	-	-	-
<b>Total Cash Available</b>	<b>8,845</b>	<b>-</b>	<b>-</b>	<b>2,230</b>
Less:				
FY 2016 Expenditures	8,519	-	-	1,602
Permanent Cash Transfers Out	-	-	-	-
Loans to Other Funds	2,217	-	-	325
<b>Total Disbursements</b>	<b>10,736</b>	<b>-</b>	<b>-</b>	<b>1,927</b>
<b>Cash, June 30, 2016</b>	<b>\$ (1,891)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 303</b>

See Independent Auditors' Report



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS (continued)  
JUNE 30, 2016**

	<u>GO Bond Library 2012</u>	<u>GO Bond Library 2010</u>	<u>Sun Safety</u>	<u>NM Reads to Lead</u>
<b>Cash, June 30, 2015</b>	\$ -	\$ -	\$ 171	\$ (15,824)
Add:				
FY 2016 Revenues	-	(7,744)	1,800	36,081
Permanent Cash Transfers In	-	-	-	-
Loans From Other Funds	-	7,744	-	2,506
Total Cash Available	-	-	1,971	22,763
Less:				
FY 2016 Expenditures	-	-	700	46,491
Permanent Cash Transfers Out	-	-	-	-
Loans to Other Funds	-	-	-	-
Total Disbursements	-	-	700	46,491
<b>Cash, June 30, 2016</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,271</u>	<u>\$ (23,728)</u>

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS (continued)  
JUNE 30, 2016**

	<u>Bond Building Fund</u>	<u>Public School Capital Outlay</u>	<u>Special Capital Outlay Local</u>	<u>Special Capital Outlay State</u>
<b>Cash, June 30, 2015</b>	\$ 4	\$ 18,339	\$ 23,628	\$ 24,858
Add:				
FY 2016 Revenues	-	-	-	-
Permanent Cash Transfers In	-	-	-	-
Loans From Other Funds	-	-	-	20,000
Total Cash Available	<u>4</u>	<u>18,339</u>	<u>23,628</u>	<u>44,858</u>
Less:				
FY 2016 Expenditures	-	-	-	-
Permanent Cash Transfers Out	-	-	-	-
Loans to Other Funds	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash, June 30, 2016</b>	<u>\$ 4</u>	<u>\$ 18,339</u>	<u>\$ 23,628</u>	<u>\$ 44,858</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS (continued)  
JUNE 30, 2016**

	<b>Capital Improvements SB-9</b>	<b>Ed. Technology Equipment Act</b>	<b>NM Grown FVV</b>	<b>Debt Service</b>
<b>Cash, June 30, 2015</b>	\$ 58,541	\$ -	\$ 632	\$ 23,602
Add:				
FY 2016 Revenues	58,185	-	(9,992)	97,381
Permanent Cash Transfers In	-	-	-	-
Loans From Other Funds	-	-	9,431	-
Total Cash Available	<u>116,726</u>	-	71	120,983
Less:				
FY 2016 Expenditures	16,685		71	98,139
Permanent Cash Transfers Out	-	-	-	-
Loans to Other Funds	<u>2,088</u>	<u>109,432</u>	-	<u>2,776</u>
Total Disbursements	<u>18,773</u>	<u>109,432</u>	71	<u>100,915</u>
<b>Cash, June 30, 2016</b>	<u>\$ 97,953</u>	<u>\$ (109,432)</u>	<u>\$ -</u>	<u>\$ 20,068</u>

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS (continued)  
JUNE 30, 2016**

	<u>USDA Equipment Fund</u>	<u>Preschool IDEA-B</u>	<u>Kindergarten 3 Plus</u>	<u>NM Pre-K Initiative</u>
<b>Cash, June 30, 2015</b>	\$ (9,308)	\$ (914)	\$ (10,843)	\$ -
Add:				
FY 2016 Revenues	9,308	1,171	26,410	-
Permanent Cash Transfers In	-	-	-	-
Loans From Other Funds	-	<u>200</u>	<u>1,302</u>	-
Total Cash Available	-	457	16,869	-
Less:				
FY 2016 Expenditures	-	1,119	26,411	-
Permanent Cash Transfers Out	-	-	-	-
Loans to Other Funds	-	-	-	<u>4,658</u>
Total Disbursements	-	<u>1,119</u>	<u>26,411</u>	<u>4,658</u>
<b>Cash, June 30, 2016</b>	<u>\$ -</u>	<u>\$ (662)</u>	<u>\$ (9,542)</u>	<u>\$ (4,658)</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF CASH RECONCILIATIONS (continued)  
JUNE 30, 2016**

	<u>CYFD Summer Food</u>	<u>Dual Credit IM</u>	<u>Trust</u>	<u>Student Activities</u>	<u>Total</u>
<b>Cash, June 30, 2015</b>	\$ (104)	\$ -	\$ -	\$ 30,921	\$ 300,137
Add:					
FY 2016 Revenues	2,020	-	-	63,288	2,417,550
Permanent Cash Transfers In	-	-	-	-	56,219
Loans From Other Funds	<u>-</u>	<u>-</u>	<u>9,720</u>	<u>54,109</u>	<u>288,347</u>
Total Cash Available	1,916	-	9,720	148,318	3,062,253
Less:					
FY 2016 Expenditures	1,003	-	-	53,142	2,389,341
Permanent Cash Transfers Out	-	-	-	-	110,586
Loans to Other Funds	<u>169</u>	<u>-</u>	<u>-</u>	<u>60,971</u>	<u>222,581</u>
Total Disbursements	<u>1,172</u>	<u>-</u>	<u>-</u>	<u>114,113</u>	<u>2,722,508</u>
<b>Cash, June 30, 2016</b>	<u>\$ 744</u>	<u>\$ -</u>	<u>\$ 9,720</u>	<u>\$ 34,205</u>	<u>\$ 339,745</u>

See Independent Auditors' Report

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF VENDOR INFORMATION FOR PURCHASES EXCEEDING \$60,000  
(EXCLUDING GRT)  
JUNE 30, 2016**

Prepared By: Teresa Casias Title: Business Manager Date: October 17, 2016

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



**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**

Honorable Timothy Keller  
New Mexico State Auditor  
Santa Fe, New Mexico  
and  
The Board of Education  
Wagon Mound Public Schools  
Wagon Mound, 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 the major special revenue funds, of the Wagon Mound School District (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 21, 2016.

**Internal Control Over Financial Reporting**

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

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

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

### **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 2009-003, 2014-001, 2014-002, 2014-003 and 2016-001.

### **The District's Responses to Findings**

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. 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 result 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.

*Kubiak Melton & Associates, LLC*

Kubiak Melton & Associates, LLC  
Albuquerque, New Mexico  
October 21, 2016



**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016**

**Section I – Financial Statement Findings**

**2009-003 [FS 09-03] – Per Diem and Mileage Act – Material Noncompliance  
(Repeated and Modified)**

**Condition:** During our test work of the District's compliance with the per diem and mileage act, we noted the following:

- Nine out of twelve instances where District employees were advanced 100% of mileage instead of the required 80% advancement. The difference between 80% and 100% totaled \$301.44.
- Nine out of twelve instances where District employees were paid the incorrect mileage rate. The differences in these incorrect payments totaled \$240.34.

**Management's Progress:** The conditions involved in this year's finding are similar to those of the previous year. It seems to be a matter of not knowing the law completely, the District though advancement of 80% only applied to travel but they now know it applies to mileage as well. They also know to track the mileage rates because the IRS typically changes them on a calendar year basis so the District can possibly be working with two rates in a given fiscal year.

**Criteria:** According to NMAC 2.42.2.10, an employee may be advanced up to 80 percent of per diem rates and mileage cost. According to NMAC 2.42.2.11, Mileage accrued in the use of a private conveyance shall be paid only in accordance with the provisions of this section. Rate: Public officers and employees of state agencies shall be reimbursed for mileage accrued in the use of a private automobile or aircraft in the discharge of official duties as follows: unless the secretary has reduced the rates set for mileage for any class of public officials and for employees of state agencies pursuant to Section 10-8-5 (D) NMSA 1978, 80% of the internal revenue service standard mileage rate set January 1 of the previous year for each mile traveled in a privately owned vehicle.

**Cause:** The District does not have adequate internal controls over travel and per diem expenditures.

**Effect:** The District is in not in compliance with New Mexico law.

**Auditors' Recommendation:** We recommend that the District improve internal controls over their travel and per diem reimbursement and advance to match the requirements provided by NMAC 2.42.2.

**Management's Response:** The District has revised internal controls and procedures to be in compliance with New Mexico Law. The District will implement the new procedures

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016**

immediately. The District will also include a review and approval of the new-year rates annually at a regularly scheduled board meeting in January of each year.

**Responsible Party:** Business Manager with Superintendent's oversight, and Wagon Mound Board of Education Approval. By November 2016.

**2014-001 – Capital Asset Inventory – Material Noncompliance (Repeated)**

**Condition:** The District did not conduct an annual capital asset inventory.

**Management's Progress:** The conditions involved in this year's finding are similar to those of the previous year. There was turnover of the position responsible for this process and it seemed to slip through the cracks as of 6/30/16.

**Criteria:** In accordance 12-6-10(A) NMSA 1978 the district must conduct a capital asset inventory to provide accountability for the safeguard of movable chattels and equipment at the end of each fiscal year. The district shall certify the correctness of the inventory after the physical inventory. This certification should be provided to the District's Auditors.

**Cause:** Annual inventory process is not being initiated or completed by the District.

**Effect:** Lack of conducting a capital asset inventory can result in assets that are not properly safeguarded. Asset identification and location are essential in the prevention of theft and loss of assets due to fraudulent activity.

**Auditors' Recommendation:** We recommend that the District conduct a capital asset inventory at the end of each fiscal year.

**Management's Response:** The district will revise its procedures regarding capital asset inventory. The revision will include the departmentalization of physical asset inventory. Each department will be responsible for their inventory at the same time every year in an effort to complete the inventory by the end of the fiscal year.

**Responsible Party:** Department Chairs, coordinated by School Secretary and Business Manager with Superintendent Oversight. Beginning January 2017 and completed by June 30, 2017.

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016**

**2014-002 — Internal Controls over Purchase Cards – Material Noncompliance  
(Repeated)**

**Condition:** During our test work of purchase cards, we noted that 2 out of 10 purchases made with credit cards were purchased without prior authorization. The amount of the purchases totaled \$119.50.

**Management's Progress:** The conditions involved in this year's finding are similar to those of the previous year. Therefore, management has not made sufficient progress in rectifying this situation.

**Criteria:** NMAC 6.20.2.17 states that each governmental entity shall establish and implement written policies and procedures for purchasing, which shall be in compliance with the procurement code Section 13-1-21, NMSA 1978.

**Effect:** The District did not comply with NMSA 1978 Section 13-1-21 and NMAC 6.20.2.17. In addition, the proper disbursement internal controls were not monitored, which increases the risk of misuse of funding by the District.

**Cause:** The District did not maintain necessary documents to monitor the purchase card process, and failed to follow disbursement internal controls when processing checks for purchase card payments.

**Auditors' Recommendations:** We recommend the District implement a procurement policy in relation to purchase card use, in accordance with NMSA 1978 Section 13-1-21, that monitors the purchase card holders' usage, and ensures that proper authorization is being performed before purchase card transactions are executed.

**Management's Response:** Management will reiterate district policies and procedures surrounding purchase card usage to all school staff. School policies and procedures regarding purchases will be disseminated via email. School Staff using the purchase cards will be expected to follow district policies and procedures.

**Responsible Party:** School Staff using the Purchase Cards, coordinated by the Business Manager with Superintendent Oversight. Beginning November 2016.

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016**

**2014-003 – Internal Controls over Receipts and Deposits – Material Noncompliance (Repeated)**

**Condition:** The District does not have a comprehensive documented internal control policy that has been implemented in relation to cash receipts and deposits. There is no formal process being followed for cash receipts and deposits.

- Two out of ten deposits tested were not sent to the bank in a timely manner. These deposits amounted to \$300.

**Management's Progress:** The conditions involved in this year's finding are similar to those of the previous year. Therefore, management has not made sufficient progress in rectifying this situation.

**Criteria:** Appropriate internal controls in cash receipts and cash disbursements is required to properly report all revenues and expenditures as required by Section 6-6-3, NMSA 1978 law related to the 24 hour deposit rule.

**Effect:** Because the internal control structure is not completely documented the effect is that management and staff are unaware about what procedures and processes to follow or what key controls are in place to properly safeguard assets. Adequate controls are not in place to prevent or detect misstatements of accounting information.

**Cause:** For the fiscal year 2015 management did not have a documented policy that was being followed to ensure internal controls were in place and operating effectively.

**Auditors' Recommendation:** We recommend that management implement proper internal controls over receipts and disbursements, so money can be properly accounted for. These policies should be written, implemented, and periodically updated to ensure proper internal controls are present and operating effectively.

**Management's Response:** Management will reiterate district policies and procedures surrounding receipts and deposits to all school staff. School policies and procedures regarding receipts and deposits will be disseminated via email. School Staff that is in receipt of cash or checks will be expected to follow district policies and procedures.

**Responsible Party:** School Staff that is in receipt of cash or checks, coordinated by the Business Manager with Superintendent Oversight. Beginning November 2016.

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016**

**2016-001 – Activities Funds (Lack of Internal Controls) (Other)**

**Condition:** During our testwork over Student Activity Funds, we noted that two activity funds had deficit fund balances totaling \$1,536.99.

*Management's Progress:* New finding in FY2016

**Criteria:** Pursuant to Section 6-6-6 NMSA 1978, governments should not make disbursements in excess of amounts available for expenditure.

**Cause:** Staff did not properly anticipate the total amount of the items purchased upon establishing the purchase order.

**Effect:** The District did not adhere to state statute with respect to disbursing the proper amount of public money.

**Auditors' Recommendation:** Management should educate the employees responsible for activity funds regarding the State statutes and the District's Activity Fund policies and procedures, and continue to monitor each activity fund for continuous improvement.

**Management's Response:** The district will perform internal audits of activity funds and emphasize the importance of strict adherence to state statutes and the District's Activity Fund policies. The district will create and disseminate a procedures booklet that emphasizes the procedures that should be adhered to with regards to Activity accounts. The booklet and staff training will be conducted in March 2017. School Staff that is in receipt of cash or checks will be expected to follow district policies and procedures.

**Responsible Party:** School staff that are sponsors of Activity funds. Business Manager will conduct the training with Superintendent Oversight. March 2017.

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
SCHEDULE OF FINDINGS AND RESPONSES  
JUNE 30, 2016**

**Section II – Status of Prior Year Audit Findings**

2009-003 [FS 09-03] – Per Diem and Mileage Act – Repeated and Modified  
2013-001 [FS 13-01] – Budgetary Conditions – Resolved  
2014-001 [FS 14-01] – Capital Asset Inventory – Repeated  
2014-002 [FS 14-02] – Internal Controls over Purchase Cards – Repeated  
2014-003 [FS 14-03] – Internal Controls over Receipts and Deposits – Repeated  
2014-004 [FS 14-04] – Background Checks – Resolved

**STATE OF NEW MEXICO  
WAGON MOUND PUBLIC SCHOOLS  
EXIT CONFERENCE  
JUNE 30, 2016**

The contents of this report were discussed at an exit conference held October 21, 2016. The firm of Kubiak Melton & Associates, LLC was represented by

Daniel O. Trujillo, CPA, CFE, CGFM  
Andrew Quintana, CPA

The District was represented by:

Benito Armijo, Chairman  
Sheryl McNellis-Martinez, Superintendent  
Teresa P. Casias, Business Manager  
Claudia Martinez, Business Manager's Assistant

Preparation of Financial Statements

The financial statements in this report were prepared substantially by the Independent Audit firm of Kubiak Melton & Associates, LLC, with the assistance of District management.